Directors' Report & Financial Statements

CONTENTS

Directors' Report

For the financial year ended 31 December 2010

The Directors present their report together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2010.

1. Directors

The Directors of the Company in office at the date of this report are:

Lee Boon Yang (Chairman)
Lim Hock San (Deputy Chairman)
Choo Chiau Beng (Chief Executive Officer)
Sven Bang Ullring
Tony Chew Leong-Chee
Oon Kum Loon (Mrs)
Tow Heng Tan
Alvin Yeo Khirn Hai
Tan Ek Kia (appointed on 1 October 2010)
Danny Teoh (appointed on 1 October 2010)
Teo Soon Hoe
Tong Chong Heong

2. Audit Committee

The Audit Committee of the Board of Directors comprises five independent Directors. Members of the Committee are:

Lim Hock San (Chairman)
Tony Chew Leong-Chee
Oon Kum Loon (Mrs)
Alvin Yeo Khirn Hai
Danny Teoh (appointed on 1 December 2010)

The Audit Committee carried out its function in accordance with the Companies Act, including the following:

- Review audit plans and reports of the Company's external auditors and internal auditors and consider effectiveness of actions/policies taken by management on the recommendations and observations;
- Review the assistance given by the Company's officers to the auditors;
- Independent review of quarterly financial reports and year-end financial statements;
- Examine effectiveness of financial, operating and compliance controls;
- Review the independence and objectivity of the external auditors annually;
- Review the nature and extent of non-audit services performed by auditors;
- Meet with external auditors and internal auditors, without the presence of management, at least annually;
- Ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, at least annually;
- Review interested person transactions; and
- Investigate any matters within the Audit Committee's term of reference, whenever it deems necessary.

The Audit Committee recommended to the Board of Directors the re-appointment of Deloitte & Touche LLP as auditors of the Company at the forthcoming Annual General Meeting.

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate other than the KCL Share Option Scheme, KCL Restricted Share Plan and KCL Performance Share Plan.

4. Directors' interest in shares and debentures

According to the Register of Directors' shareholdings kept by the Company for the purpose of Section 164 of the Companies Act, none of the Directors holding office at the end of the financial year had any interest in the shares and debentures of the Company and related corporations, except as follows:

	Holdings At		
	1.1.2010 or date of appointment, if later	31.12.2010	21.1.2011
Keppel Corporation Limited			
(Ordinary shares)			
Lee Boon Yang	-	20,000	20,000
Lim Hock San	6,000	9,000	9,000
Choo Chiau Beng	1,631,666	2,321,666	2,321,666
Choo Chiau Beng (deemed interest)	200,000	200,000	200,000
Sven Bang Ullring	82,000	99,000	99,000
Tony Chew Leong-Chee	6,000	9,000	9,000
Oon Kum Loon (Mrs)	46,000	49,000	49,000
Oon Kum Loon (Mrs) (deemed interest)	40,000	40,000	40,000
Tow Heng Tan	6,626	9,626	9,626
Tow Heng Tan (deemed interest)	26,172	26,172	26,172
Alvin Yeo Khirn Hai	-	1,750	1,750
Alvin Yeo Khirn Hai (deemed interest)	20,000	20,000	20,000
Teo Soon Hoe	3,628,332	4,088,332	4,088,332
Tong Chong Heong	1,499,582	1,659,582	1,659,582
(Share options)			
Choo Chiau Beng	2,150,000	1,770,000	1,770,000
Teo Soon Hoe	2,760,000	2,530,000	2,530,000
Tong Chong Heong	1,540,000	1,580,000	1,580,000
(Contingent award of restricted shares to be delivered after 2010) [1]			
Choo Chiau Beng	-	150,000	150,000
Teo Soon Hoe	-	100,000	100,000
Tong Chong Heong	-	90,000	90,000
(Contingent award of performance shares issued in 2010 to be delivered after 2012) [2]			
Choo Chiau Beng	-	300,000	300,000
Teo Soon Hoe	-	200,000	200,000
Tong Chong Heong	-	180,000	180,000
Keppel Land Limited			
(Ordinary shares)			
Choo Chiau Beng	100,000	102,204	102,204
Tony Chew Leong-Chee (deemed interest)	1,286,100	800,000	800,000
Tow Heng Tan (deemed interest)	95	95	95
Tan Ek Kia	-	114,000	114,000
Keppel Telecommunications & Transportation Ltd			
(Ordinary shares)			
Teo Soon Hoe	28,000	28,000	28,000

4. Directors' interest in shares and debentures (continued)

	Holdings At 1.1.2010 or date of appointment, if later	31.12.2010	21.1.2011
K-REIT Asia			
(Units)			
Lim Hock San	894,000	494,000	494,000
Choo Chiau Beng	-	2,635,000	2,635,000
Choo Chiau Beng (deemed interest)	2,635,000	-	-
Tow Heng Tan (deemed interest)	10	10	10
Alvin Yeo Khirn Hai (deemed interest)	250,000	250,000	250,000
Keppel Structured Notes Pte Limited			
(S$ Commodity Linked Guaranteed Note Series 1 due 2011)			
Teo Soon Hoe	$100,000	$100,000	$100,000
Keppel Philippines Holdings, Inc			
("B" shares of one Peso each)			
Choo Chiau Beng	2,000	2,000	2,000
Teo Soon Hoe	2,000	2,000	2,000

[1] Depending on the achievement of pre-determined performance targets, the actual number of shares to be released could be zero or the number stated.

[2] Depending on the achievement of pre-determined performance targets, the actual number of shares to be released could range from zero to 150% of the number stated.

5. Directors' receipt and entitlement to contractual benefits

Since the beginning of the financial year, no Director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the notes to the financial statements and salaries, bonuses and other benefits in their capacity as directors of the Company which are disclosed in the Corporate Governance Report.

6. Share options of the Company

Details of share options granted under the KCL Share Option Scheme ("Scheme") are disclosed in Note 3 to the financial statements.

Options to take up 8,079,000 Ordinary Shares ("Shares") were granted during the financial year. There were 11,017,200 Shares issued by virtue of exercise of options and options to take up 3,264,800 Shares were cancelled during the financial year. At the end of the financial year, there were 53,391,000 Shares under option as follows:

	Number of Share Options					
Date of grant	Balance at 1.1.2010 or later date of grant	Exercised	Cancelled	Balance at 31.12.2010	Exercise price*	Date of expiry
13.02.04	570,000	(570,000)	-	-	$2.78	12.02.14
12.08.04	760,000	(690,000)	-	70,000	$3.01	11.08.14
11.02.05	1,107,000	(762,000)	-	345,000	$4.19	10.02.15
11.08.05	2,208,000	(1,401,000)	-	807,000	$6.01	10.08.15
09.02.06	3,126,000	(1,685,000)	(1,000)	1,440,000	$6.16	08.02.16
10.08.06	5,407,500	(2,573,200)	(29,300)	2,805,000	$7.43	09.08.16
13.02.07	6,404,000	(1,244,000)	(338,000)	4,822,000	$8.90	12.02.17
10.08.07	7,280,000	-	(849,000)	6,431,000	$12.72	09.08.17
14.02.08	7,351,000	(688,000)	(453,000)	6,210,000	$9.73	13.02.18
14.08.08	8,373,000	(597,000)	(524,000)	7,252,000	$10.03	13.08.18
05.02.09	8,696,000	(692,000)	(502,000)	7,502,000	$3.81	04.02.19
06.08.09	8,311,500	(95,000)	(384,500)	7,832,000	$7.98	05.08.19
09.02.10	8,079,000	(20,000)	(184,000)	7,875,000	$8.01	08.02.20
	67,673,000	(11,017,200)	(3,264,800)	53,391,000		

* Adjusted for dividend in specie of K-Green Trust units

The information on Directors of the Company participating in the Scheme is as follows:

Name of Director	Options granted during the financial year	Aggregate options granted and adjusted since commencement of the Scheme to the end of financial year	Aggregate options exercised since commencement of the Scheme to the end of financial year	Aggregate options lapsed since commencement of the Scheme to the end of financial year	Aggregate options outstanding as at the end of financial year
Choo Chiau Beng	310,000	5,430,000	3,086,250	573,750	1,770,000
Teo Soon Hoe	230,000	5,730,000	2,626,250	573,750	2,530,000
Tong Chong Heong	200,000	3,774,200	1,784,200	410,000	1,580,000

There are no options granted to any of the Company's controlling shareholders or their associates under the Scheme.

7. Share plans of the Company

The KCL Restricted Share Plan ("KCL RSP") and KCL Performance Share Plan ("KCL PSP") were approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 23 April 2010.

Details of share plans awarded under the KCL RSP and KCL PSP are disclosed in Note 3 to the financial statements.

The number of contingent Shares granted was 3,796,500 under KCL RSP and 680,000 under KCL PSP during the financial year. No Share was released under the KCL RSP and KCL PSP during the financial year. 38,534 Shares under the KCL RSP were cancelled during the financial year. At the end of the financial year, there were 3,757,966 Shares under the KCL RSP and 680,000 Shares under the KCL PSP as follows:

	Number of Shares				
Date of grant	Balance at date of grant	Adjustment	Vested	Cancelled	Balance at 31.12.2010
KCL RSP					
30.06.10	3,796,500	-	-	(38,534)	3,757,966
KCL PSP					
30.06.10	680,000	-	-	-	680,000

The information on Directors of the Company participating in the KCL RSP and the KCL PSP is as follows:

Name of Director	Contingent awards granted during the financial year	Aggregate adjusted awards granted since commencement of plans to the end of financial year	Awards released during the financial year	Aggregate awards released since commencement of plans to the end of financial year	Aggregate awards not released as at the end of financial year
KCL RSP					
Choo Chiau Beng	150,000	150,000	-	-	150,000
Teo Soon Hoe	100,000	100,000	-	-	100,000
Tong Chong Heong	90,000	90,000	-	-	90,000
KCL PSP					
Choo Chiau Beng	300,000	300,000	-	-	300,000
Teo Soon Hoe	200,000	200,000	-	-	200,000
Tong Chong Heong	180,000	180,000	-	-	180,000

There are no contingent award of Shares granted to any of the Company's controlling shareholders or their associates under the KCL RSP and the KCL PSP.

Other than Choo Chiau Beng who received 760,000 or 6 percent of the aggregate of the total share options under the Scheme and contingent award of Shares under the KCL RSP and KCL PSP, no employee received 5 percent or more of the total number of share options and contingent award of Shares granted during the financial year.

8. Share options and share plans of subsidiaries

The particulars of share options and share plans of subsidiaries of the Company are as follows:

(a) Keppel Land Limited ("Keppel Land")

At the end of the financial year, there were 133,720,072 unissued shares of Keppel Land Limited under option. This comprised $300 million principal amount of 2.5% Convertible Bonds due 2013 at a conversion price of $5.58 per share, $500 million principal amount of 1.875% Convertible Bonds due 2015 at a conversion price of $6.72 per share and 5,551,871 options under the Keppel Land Share Option Scheme. In addition, there were 874,000 contingent shares granted under Keppel Land Restricted Share Plan and 656,000 contingent shares granted under Keppel Land Performance Share Plan at the end of the financial year. Details and terms of the options and share plans have been disclosed in the Directors' Report of Keppel Land Limited.

(b) Keppel Telecommunications & Transportation Ltd ("Keppel T&T")

At the end of the financial year, there were 1,822,000 unissued shares of Keppel Telecommunications & Transportation Ltd under option relating to Keppel T&T Share Option Scheme. In addition, there were 553,500 contingent shares granted under Keppel T&T Restricted Share Plan and 180,000 contingent shares granted under Keppel T&T Performance Share Plan at the end of the financial year. Details and terms of the options and share plans have been disclosed in the Directors' Report of Keppel Telecommunications & Transportation Ltd.

(c) K-REIT Asia Management Limited ("KRAM")

At the end of the financial year, there were 70,500 contingent K-REIT Asia units granted under KRAM Restricted Unit Plan and 108,000 contingent K-REIT Asia units granted under KRAM Performance Unit Plan. The grants will be settled in K-REIT Asia units owned by KRAM. Details and terms of the unit plans have been disclosed in the Directors' Report of Keppel Land Limited.

9. Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board

Choo Chiau Beng

Choo Chiau Beng
Chief Executive Officer

Teo Soon Hoe
Group Finance Director

Singapore, 22 February 2011

Statement by Directors

For the financial year ended 31 December 2010

We, CHOO CHIAU BENG and TEO SOON HOE being two Directors of Keppel Corporation Limited, do hereby state that in the opinion of the Directors, the financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 150 to 218 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

Choo Chiau Beng

Choo Chiau Beng
Chief Executive Officer

Teo Soon Hoe
Group Finance Director

Singapore, 22 February 2011

Independent Auditors' Report

to the Members of Keppel Corporation Limited

For the financial year ended 31 December 2010

Report on the Financial Statements

We have audited the accompanying financial statements of Keppel Corporation Limited ("Company") and its subsidiaries ("Group") which comprise the balance sheets of the Group and the Company as at 31 December 2010, the profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 150 to 218.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Public Accountants and Certified Public Accountants
Singapore

Chaly Mah Chee Kheong
Partner
Appointed on 28 April 2006

22 February 2011

Balance Sheets

As at 31 December 2010

	Note	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Share capital	3	**906,409**	832,908	**906,409**	832,908
Reserves	4	**5,833,377**	5,152,439	**3,783,517**	3,924,918
Share capital & reserves		**6,739,786**	5,985,347	**4,689,926**	4,757,826
Non-controlling interests		**2,984,097**	2,727,226	**-**	-
Capital employed		**9,723,883**	8,712,573	**4,689,926**	4,757,826
Represented by:					
Fixed assets	5	**2,243,150**	2,157,172	**5,120**	5,430
Investment properties	6	**3,207,539**	3,051,247	**-**	-
Subsidiaries	7	**-**	-	**3,580,409**	3,393,466
Associated companies	8	**3,606,723**	2,723,169	**55**	3,074
Investments	9	**299,896**	152,046	**-**	-
Long term receivables	10	**28,646**	547,665	**360**	584
Intangibles	11	**107,676**	90,118	**-**	-
		9,493,630	8,721,417	**3,585,944**	3,402,554
Current assets					
Stocks & work-in-progress in excess of related billings	12	**4,440,827**	3,178,182	**-**	-
Amounts due from:					
- subsidiaries	13	**-**	-	**1,732,273**	1,642,528
- associated companies	13	**305,162**	287,922	**2,575**	6,056
Debtors	14	**1,958,993**	1,727,099	**82,416**	103,575
Short term investments	15	**536,872**	456,515	**-**	-
Bank balances, deposits & cash	16	**4,245,990**	2,935,787	**207,073**	33,507
		11,487,844	8,585,505	**2,024,337**	1,785,666
Current liabilities					
Creditors	17	**4,342,963**	4,051,972	**138,435**	132,302
Billings on work-in-progress in excess of related costs	12	**1,638,193**	1,683,392	**-**	-
Provisions	18	**83,586**	68,856	**-**	-
Amounts due to:					
- subsidiaries	13	**-**	-	**241,792**	265,546
- associated companies	13	**180,609**	168,186	**-**	-
Term loans	19	**391,764**	839,117	**9,047**	-
Taxation	27	**484,699**	450,951	**26,147**	27,169
Bank overdrafts	20	**736**	1,668	**-**	-
		7,122,550	7,264,142	**415,421**	425,017
Net current assets		**4,365,294**	1,321,363	**1,608,916**	1,360,649
Non-current liabilities					
Term loans	19	**3,675,968**	918,410	**500,000**	-
Deferred taxation	21	**459,073**	411,797	**4,934**	5,377
		4,135,041	1,330,207	**504,934**	5,377
Net assets		**9,723,883**	8,712,573	**4,689,926**	4,757,826

See accompanying notes to the financial statements.

Consolidated Profit and Loss Account

For the financial year ended 31 December 2010

	Note	2010 $'000	2009 $'000
Revenue	22	**9,782,922**	12,247,121
Materials and subcontract costs		**(6,210,898)**	(8,808,751)
Staff costs	23	**(1,367,077)**	(1,372,405)
Depreciation and amortisation		**(188,633)**	(174,313)
Other operating expenses		**(259,820)**	(386,861)
Operating profit	24	**1,756,494**	1,504,791
Investment income	25	**7,946**	5,101
Interest income	25	**111,350**	73,676
Interest expenses	25	**(64,701)**	(49,675)
Share of results of associated companies	8	**215,249**	321,683
Profit before tax and exceptional items		**2,026,338**	1,855,576
Exceptional items	26	**661,101**	322,130
Profit before taxation		**2,687,439**	2,177,706
Taxation	27	**(580,632)**	(347,875)
Profit for the year		**2,106,807**	1,829,831
Attributable to:			
Shareholders of the Company			
Profit before exceptional items		**1,419,052**	1,264,611
Exceptional items	26	**203,932**	360,506
		1,622,984	1,625,117
Non-controlling interests		**483,823**	204,714
		2,106,807	1,829,831
Earnings per ordinary share	28		
Before exceptional items			
- basic		**88.7 cts**	79.4 cts
- diluted		**88.1 cts**	79.2 cts
After exceptional items			
- basic		**101.5 cts**	102.0 cts
- diluted		**100.7 cts**	101.8 cts
Gross dividend per ordinary share	29		
Interim dividend paid		**16.0 cts**	15.0 cts
Final dividend proposed		**26.0 cts**	23.0 cts
Special dividend in specie		**-**	23.0 cts
Total distribution		**42.0 cts**	61.0 cts

See accompanying notes to the financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2010

	2010 $'000	2009 $'000
Profit for the year	**2,106,807**	1,829,831
Available-for-sale assets		
- Fair value changes arising during the year	**130,996**	139,760
- Realised & transferred to profit and loss account	**1,663**	66,405
Cash flow hedges		
- Fair value changes arising during the year, net of tax	**(1,247)**	207,336
- Realised & transferred to profit and loss account	**(47,508)**	247
Foreign exchange translation		
- Exchange difference arising during the year	**(100,559)**	(144,436)
- Realised & transferred to profit and loss account	**10,013**	23,505
Share of other comprehensive income of associated companies	**3,133**	(20,832)
Other comprehensive income for the year, net of tax	**(3,509)**	271,985
Total comprehensive income for the year	**2,103,298**	2,101,816
Attributable to:		
Shareholders of the Company	**1,659,042**	1,943,492
Non-controlling interests	**444,256**	158,324
	2,103,298	2,101,816

See accompanying notes to the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2010

	Attributable to equity holders of the Company						
	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Non-controlling Interests $'000	Capital Employed $'000
Group							
2010							
As at 1 January	**832,908**	**540,289**	**4,695,478**	**(83,328)**	**5,985,347**	**2,727,226**	**8,712,573**
Total comprehensive income for the year							
Profit for the year	**-**	**-**	**1,622,984**	**-**	**1,622,984**	**483,823**	**2,106,807**
Other comprehensive income	**-**	**91,717**	**-**	**(55,659)**	**36,058**	**(39,567)**	**(3,509)**
Total comprehensive income for the year	**-**	**91,717**	**1,622,984**	**(55,659)**	**1,659,042**	**444,256**	**2,103,298**
Transactions with equity holders, recorded directly in equity							
Dividend paid	**-**	**-**	**(991,006)**	**-**	**(991,006)**	**-**	**(991,006)**
Share-based payment	**-**	**36,633**	**-**	**-**	**36,633**	**1,608**	**38,241**
Transfer of statutory, capital and other reserves to revenue reserves	**-**	**(345)**	**441**	**(96)**	**-**	**-**	**-**
Dividend paid to non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**(129,580)**	**(129,580)**
Cash subscribed by non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**5,091**	**5,091**
Disposal to non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**282**	**282**
Acquisition of subsidiary	**-**	**-**	**-**	**-**	**-**	**16,973**	**16,973**
Acquisition of additional interest in subsidiaries	**-**	**(20,987)**	**(9,060)**	**-**	**(30,047)**	**(96,987)**	**(127,034)**
Equity component of convertible bond issued by a subsidiary	**-**	**6,317**	**-**	**-**	**6,317**	**5,733**	**12,050**
Other adjustments	**-**	**-**	**(1)**	**-**	**(1)**	**9,495**	**9,494**
Shares issued	**73,501**	**-**	**-**	**-**	**73,501**	**-**	**73,501**
Total transactions with equity holders	**73,501**	**21,618**	**(999,626)**	**(96)**	**(904,603)**	**(187,385)**	**(1,091,988)**
As at 31 December	**906,409**	**653,624**	**5,318,836**	**(139,083)**	**6,739,786**	**2,984,097**	**9,723,883**

See accompanying notes to the financial statements.

Statements of Changes in Equity

	Attributable to equity holders of the Company						
	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Non-controlling Interests $'000	Capital Employed $'000
Group							
2009							
As at 1 January	824,571	127,345	3,643,141	1,119	4,596,176	2,152,331	6,748,507
Total comprehensive income for the year							
Profit for the year	-	-	1,625,117	-	1,625,117	204,714	1,829,831
Other comprehensive income	-	402,819	-	(84,444)	318,375	(46,390)	271,985
Total comprehensive income for the year	-	402,819	1,625,117	(84,444)	1,943,492	158,324	2,101,816
Transactions with equity holders, recorded directly in equity							
Dividend paid	-	-	(573,562)	-	(573,562)	-	(573,562)
Share-based payment	-	22,672	-	-	22,672	1,142	23,814
Transfer of statutory, capital and other reserves to revenue reserves	-	(1,572)	1,575	(3)	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	(87,136)	(87,136)
Cash subscribed by non-controlling shareholders	-	-	-	-	-	510,224	510,224
Acquisition of additional interest in subsidiaries	-	(11,116)	-	-	(11,116)	(3,065)	(14,181)
Other adjustments	-	141	(793)	-	(652)	(4,594)	(5,246)
Shares issued	8,337	-	-	-	8,337	-	8,337
Total transactions with equity holders	8,337	10,125	(572,780)	(3)	(554,321)	416,571	(137,750)
As at 31 December	832,908	540,289	4,695,478	(83,328)	5,985,347	2,727,226	8,712,573

See accompanying notes to the financial statements.

	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Capital Employed $'000
Company				
2010				
As at 1 January	**832,908**	**91,555**	**3,833,363**	**4,757,826**
Profit/Total comprehensive income for the year	**-**	**-**	**815,140**	**815,140**
Transactions with equity holders, recorded directly in equity				
Dividend paid	**-**	**-**	**(991,006)**	**(991,006)**
Share-based payment	**-**	**34,465**	**-**	**34,465**
Shares issued	**73,501**	**-**	**-**	**73,501**
Total transactions with equity holders	**73,501**	**34,465**	**(991,006)**	**(883,040)**
As at 31 December	**906,409**	**126,020**	**3,657,497**	**4,689,926**
2009				
As at 1 January	824,571	70,042	2,250,226	3,144,839
Profit/Total comprehensive income for the year	-	-	2,156,699	2,156,699
Transactions with equity holders, recorded directly in equity				
Dividend paid	-	-	(573,562)	(573,562)
Share-based payment	-	21,513	-	21,513
Shares issued	8,337	-	-	8,337
Total transactions with equity holders	8,337	21,513	(573,562)	(543,712)
As at 31 December	832,908	91,555	3,833,363	4,757,826

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2010

	Note	**2010 $'000**	2009 $'000
Operating activities			
Operating profit		**1,756,494**	1,504,791
Adjustments:			
Depreciation and amortisation		**188,633**	174,313
Share-based payment expenses		**38,437**	23,682
(Profit)/loss on sale of fixed assets and investment properties		**(4,949)**	5,781
Impairment of assets		**10,715**	-
Operational cash flow before changes in working capital		**1,989,330**	1,708,567
Working capital changes:			
Stocks & work-in-progress		**(794,558)**	(1,066,070)
Debtors		**(292,304)**	183,639
Creditors		**(65,033)**	235,389
Investments in bonds and shares		**(71,646)**	41,610
Intangibles		**(5,256)**	-
Advances to associated companies		**928**	(225,378)
Translation of foreign subsidiaries		**(73,660)**	(79,593)
		687,801	798,164
Interest received		**112,888**	70,315
Interest paid		**(57,223)**	(52,183)
Income taxes paid, net of refunds received		**(293,226)**	(146,148)
Net cash from operating activities		**450,240**	670,148
Investing activities			
Acquisition of subsidiary and business	A	**(49,184)**	(529,434)
Acquisition and further investment in associated companies		**(343,788)**	(212,395)
Acquisition of fixed assets and investment properties		**(873,073)**	(475,797)
Disposal of subsidiaries	B	**-**	-
Proceeds from disposal of interest in a subsidiary		**16,281**	-
Return of capital from associated company		**300,000**	-
Proceeds from disposal of associated companies		**3,165**	1,465,767
Proceeds from disposal of fixed assets and investment properties		**58,430**	48,936
Dividend received from investments and associated companies		**245,119**	130,282
Net cash (used in)/from investing activities		**(643,050)**	427,359
Financing activities			
Proceeds from share issues		**73,501**	8,337
Proceeds from non-controlling shareholders of subsidiaries		**5,091**	510,224
Proceeds from term loans		**3,221,224**	196,658
Repayment of term loans		**(921,644)**	(431,184)
Acquisition of additional shares in subsidiaries		**(117,464)**	(3,814)
Dividend paid to shareholders of the Company		**(627,183)**	(573,562)
Dividend paid to non-controlling shareholders of subsidiaries		**(129,580)**	(87,136)
Net cash from/(used in) financing activities		**1,503,945**	(380,477)
Net increase in cash and cash equivalents		**1,311,135**	717,030
Cash and cash equivalents as at 1 January		**2,934,119**	2,217,089
Cash and cash equivalents as at 31 December	C	**4,245,254**	2,934,119

See accompanying notes to the financial statements.

Notes to Consolidated Statement of Cash Flows

		2010 $'000	2009 $'000
A.	**Acquisition of Subsidiary and Business**		
	During the financial year, the fair values of net assets of subsidiary and business acquired were as follows:		
	Fixed assets	**123,536**	143,507
	Investments	**185**	-
	Long term receivables	**120**	-
	Stocks & work-in-progress	**8,425**	161
	Debtors	**20,764**	463,546
	Bank balances and cash	**16,643**	12,842
	Creditors	**(25,679)**	(13,752)
	Amounts due to associated companies	**(494)**	-
	Taxation	**(415)**	-
	Term loans	**(10,625)**	(70,935)
	Deferred taxation	**-**	(9,765)
	Non-controlling interests	**(16,973)**	-
		115,487	525,604
	Goodwill on consolidation (Note 11)	**10,560**	24,615
	Amount previously accounted for as associated company	**(42,689)**	-
	Purchase consideration	**83,358**	550,219
	Less: Purchase consideration payable	**(17,531)**	(7,943)
	Less: Bank balances and cash acquired	**(16,643)**	(12,842)
	Cash flow on acquisition net of cash acquired	**49,184**	529,434
B.	**Disposal of Subsidiaries**		
	During the financial year, the fair values of net assets of subsidiaries disposed were as follows:		
	Fixed assets	**(1,007)**	-
	Long term receivables	**(589,440)**	-
	Stocks & work-in-progress	**(14,538)**	-
	Debtors	**(86,376)**	-
	Bank balances and cash	**(57,949)**	-
	Creditors	**21,492**	-
	Taxation	**1,782**	-
	Deferred taxation	**12,659**	-
		(713,377)	-
	Amount accounted for as associated company	**349,552**	-
	Amount accounted for as advance from associated company	**(57,947)**	-
	Distribution of dividend in specie (less expenses)	**363,823**	-
	Add: Bank balances and cash disposed	**57,949**	-
	Cash flow on disposal net of cash disposed	**-**	-
C.	**Cash and Cash Equivalents**		
	Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:		
	Bank balances, deposits and cash (Note 16)	**4,245,990**	2,935,787
	Bank overdrafts (Note 20)	**(736)**	(1,668)
		4,245,254	2,934,119

See accompanying notes to the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

The Company is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its principal place of business and registered office is 1 HarbourFront Avenue #18-01, Keppel Bay Tower, Singapore 098632.

The Company's principal activity is that of an investment holding and management company.

The principal activities of the companies in the Group consist of:

- offshore oil-rig construction, shipbuilding & shiprepair and conversion;
- environmental engineering, power generation, logistics and data centres;
- property development & investment and property fund management; and
- investments.

There has been no significant change in the nature of these principal activities during the financial year.

The financial statements of the Group for the financial year ended 31 December 2010 and the balance sheet and statement of changes in equity of the Company at 31 December 2010 were authorised for issue in accordance with a resolution of the Board of Directors on 22 February 2011.

2. Significant accounting policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Adoption of New and Revised Standards

In the current year, the Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2010. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS and INT FRS that are relevant to the Group:

Amendments to FRS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items
INT FRS 117	Distributions of Non-Cash Assets to Owners
INT FRS 118	Transfer of Assets from Customers
FRS 27 (Revised)	Consolidated and Separate Financial Statements
FRS 103 (Revised)	Business Combinations

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on these financial statements.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at the balance sheet date.

The results of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated financial statements from their respective dates of acquisition or disposal. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Acquisition of subsidiaries is accounted for using the purchase method. The cost of an acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition-related costs are recognised in profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

Any excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the profit and loss account on the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in profit or loss.

On a transaction-by-transaction basis, the measurement of non-controlling interests (previously referred to as 'minority' interests) is either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree.

Contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in profit or loss.

2. Significant acounting policies (continued)

(c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and any impairment in value. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. Profits or losses on disposal of fixed assets are included in the profit and loss account.

Depreciation of fixed assets is calculated on a straight-line basis to write off the cost of the fixed assets over their estimated useful lives. No depreciation is provided on freehold land and capital work-in-progress. The estimated useful lives of other fixed assets are as follows:

Freehold buildings	30 to 50 years
Leasehold land & buildings	Over period of lease (ranging from 2 to 80 years)
Vessels & floating docks	10 to 20 years
Plant, machinery & equipment	1 to 30 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

(d) Investment Properties

Investment properties are initially recognised at cost and subsequently measured at fair value, determined annually by independent professional valuers. Changes in fair value are recognised in the profit and loss account.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit and loss account.

(e) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Investments in subsidiaries are stated in the Company's financial statements at cost less any impairment losses. On disposal of a subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is taken to the profit and loss account.

(f) Associated Companies

An associated company is an entity, not being a subsidiary, over which the Group has significant influence, but not control, in the operating and financial policy decisions.

Investments in associated companies are stated in the Company's financial statements at cost less any impairment losses. On disposal of an associated company, the difference between net disposal proceeds and the carrying amount of the investment is taken to the profit and loss account.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting whereby the Group's share of profit or loss of the associated company is included in the profit and loss account and the Group's share of net assets of the associated company is included in the balance sheet.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

(g) Intangibles

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any impairment losses. If the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Other Intangible Assets

Intangible assets include development expenditure and customer contracts. Costs incurred which are expected to generate future economic benefits are recognised as intangibles and amortised on a straight line basis over their useful lives, ranging from 5 to 17 years.

(h) Investments

Investments are classified as held for trading or available-for-sale. Investments acquired for the purpose of selling in the short term are classified as held for trading. Other investments held by the Group are classified as available-for-sale.

Investments are recognised and derecognised on the trade date where the purchase or sale of an investment is under a contract whose terms required delivery of investment within the timeframe established by the market concerned.

Investments are initially measured at fair value plus transaction costs except for investments held for trading, which are recognised at fair value.

For investments held for trading, gains and losses arising from changes in fair value are included in the profit and loss account.

For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the profit and loss account.

The fair value of investments that are traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price is the current bid prices. The fair value of investments that are not traded in an active market is determined using valuation techniques. Such techniques include using recent arm's length transactions, reference to the underlying net asset value of the investee companies and discounted cash flow analysis.

(i) Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Gains or losses arising from changes in fair value of derivative financial instruments that do not qualify for hedge accounting are taken to the profit and loss account.

For cash flow hedges, the effective portion of the gains or losses on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in the profit and loss account. Amounts taken to other comprehensive income are reclassified to the profit and loss account when the hedged transaction affects profit or loss.

The fair value of forward foreign currency contracts is determined using forward exchange market rates at the balance sheet date. The fair value of High Sulphur Fuel Oil ("HSFO") forward contracts is determined using forward HSFO prices provided by the Group's key counterparty. The fair value of interest rate caps and interest rate swaps are based on valuations provided by the Group's bankers.

2. Significant acounting policies (continued)

(j) Financial Assets

Financial assets include cash and bank balances, trade, intercompany and other receivables and investments. Trade, intercompany and other receivables are stated at their fair values as reduced by appropriate allowances for estimated irrecoverable amounts.

(k) Stocks & Work-in-Progress

Stocks, consumable materials and supplies are stated at the lower of cost and net realisable value, cost being principally determined on the weighted average method.

Work-in-progress is stated at the lower of cost (comprising direct labour, material costs, direct expenses and an appropriate allocation of production overheads) and net realisable value, which is arrived at after providing for anticipated losses, if any, when the possibility of loss is ascertained.

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overhead expenditure and interest incurred during the period of construction.

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overheads expenditure, and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. Upon receipt of temporary occupation permits, they are transferred to completed properties held for sale.

Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate temporary occupation permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

Progress claims made against work-in-progress are offset against the cost of work-in-progress and the profits recognised on partly completed long-term contracts less any provision required to reduce cost to estimated realisable value.

(l) Impairment of Assets

Financial Assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognised an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor and default or significant delay in payments are objective evidence that the financial assets are impaired. The carrying amount of these assets is reduced through the use of an allowance account and the loss is recognised in the profit and loss account. When the asset becomes uncollectible, the carrying amount is written off against the allowance account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively measured, the previously recognised impairment loss is reversed to the extent that the carrying amount does not exceed the amortised cost had no impairment been recognised in the prior periods. The amount of reversal is recognised in the profit and loss account.

Investments

Significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account are not reversed through the profit and loss account until the investment is disposed of.

Goodwill
Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill included in the carrying amount of an associated company is tested for impairment as part of the investment.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

An impairment loss is recognised in the profit and loss account when the carrying amount of the cash-generating unit, including goodwill, exceeds the recoverable amount of the cash-generating unit. The impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating units and then, to reduce the carrying amount of the other assets in the unit on a pro-rata basis. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Other Non-Financial Assets
Tangible and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for cash-generating unit to which the asset belongs.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of an asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as impairment loss in the profit and loss account. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the profit and loss account.

(m) Financial Liabilities and Equity Instruments
Financial liabilities include trade, intercompany and other payables, bank loans and overdrafts. Trade, intercompany and other payables are stated at their fair values. Interest-bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit and loss account over the period of the borrowings using the effective interest method.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2. Significant acounting policies (continued)

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provision for warranties is set up upon completion of a contract to cover the estimated liability which may arise during the warranty period. This provision is based on service history. Any surplus of provision will be written back at the end of the warranty period while additional provisions where necessary are made when known. These liabilities are expected to be incurred over the applicable warranty periods.

Provision for claims is made for the estimated cost of all claims notified but not settled at the balance sheet date, less recoveries, using the information available at the time. Provision is also made for claims incurred but not reported at the balance sheet date based on historical claims experience, modified for variations in expected future settlement. The utilisation of provisions is dependent on the timing of claims.

(o) Leases

When a group company is the lessee

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised as assets of the Group at their fair values at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss account. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentive received from lessor) are taken to the profit and loss account on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

When a group company is the lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at fair values. Rental income (net of any incentive given to lessee) is recognised on a straight-line basis over the lease term.

(p) Revenue

Revenue consists of:

- Revenue recognised on contracts, under the percentage of completion method when the outcome of the contract can be estimated reliably;
- Invoiced value of goods and services;
- Rental income from investment properties; and
- Investment income, interest and fee income.

(q) Revenue Recognition

Revenue from rigbuildings, shipbuildings and repairs, and long term engineering contracts is recognised based on the percentage of completion method in proportion to the stage of completion, provided that the work is at least 20% complete and the outcome of such work can be reliably estimated. The percentage of completion is measured by reference to the percentage of the physical proportion of the contract work completed as determined by engineers' estimates. Provision is made where applicable for anticipated losses on contracts in progress.

Revenue recognition on partly completed properties held for sale is based on the percentage of completion method as follows:

- For Singapore trading properties under development, the profit recognition upon the signing of sales contracts is 20% of the total estimated profit attributable to the actual contracts signed. Subsequent recognition of profit is based on the stage of physical completion;

- For overseas trading properties under development, the profit recognition upon the signing of sales contracts is the direct proportion of total expected project profit attributable to the actual sales contract signed, but only to the extent that it relates to the stage of physical completion; and

- In respect of large residential property projects, income recognition is applied by phases.

When losses are expected, full provision is made in the accounts after adequate allowance has been made for estimated costs to completion. Any expenditure incurred on abortive projects is written off in the profit and loss account.

Revenue from the sale of products is recognised upon shipment to customers and collectibility of the related receivables is reasonably assured. Sales are stated net of goods and services tax and sales returns.

Revenue from the rendering of services including electricity supply and logistic services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual services provided as a proportion of the total services to be performed.

Rental income from operating leases on investment properties are recognised on a straight-line basis over the lease term.

Dividend income from investments is recognised when the right to receive payment is established, and in the case of fixed interest bearing investments, on a time proportion basis using the effective interest method.

Interest income is recognised on a time proportion basis using the effective interest method.

(r) Borrowing Costs

Borrowing costs incurred to finance the development of properties are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are taken to the profit and loss account over the period of borrowing using the effective interest rate method.

2. Significant acounting policies (continued)

(s) Employee Benefits

Defined Contribution Plan

The Group makes contributions to pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

Share Option Scheme and Share Plans

The Group operates share-based compensation plans. The fair value of the employee services received in exchange for the grant of options, restricted shares and performance shares is recognised as an expense in the profit and loss account with a corresponding increase in the share option and share plan reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair values of the options, restricted shares and performance shares granted on the respective dates of grant.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable and share plan awards that are expected to vest on the vesting dates, and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share option and share plan reserve over the remaining vesting period.

No expense is recognised for options or share plan awards that do not ultimately vest, except for options or share plan awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The proceeds received from the exercise of options are credited to share capital when the options are exercised. When share plan awards are released, the share plan reserve is transferred to share capital if new shares are issued.

(t) Income Taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation, valuation of investment properties, unremitted offshore income and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit and loss account, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

(u) Foreign Currencies

Functional Currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency").

The financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Singapore Dollars, which is the functional currency of the Company.

Foreign Currency Transactions

Transactions in foreign currencies are translated at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates approximating those ruling at that date. Exchange differences arising from translation of monetary assets and liabilities are taken to the profit and loss account. Exchange differences on non-monetary items such as investments held for trading are reported as part of the fair value gain or loss. Exchange differences on non-monetary items such as available-for-sale investments are also recognised in other comprehensive income.

Foreign Currency Translation

For inclusion in the Group's financial statements, the assets and liabilities of foreign subsidiaries and associated companies that are in functional currencies other than Singapore Dollars are translated into Singapore Dollars at the exchange rates ruling at the balance sheet date. The trading results of foreign subsidiaries and associated companies are translated into Singapore Dollars using the average exchange rates for the financial year. Exchange differences due to such currency translation are recognised in other comprehensive income and accumulated in a separate component of equity. Goodwill and fair value adjustments arising on acquisition of a foreign entity are treated as non-monetary foreign currency assets and liabilities of the acquirer and recorded at the closing exchange rate.

(v) Critical Accounting Estimates and Judgements

(i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described below.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Impairment of loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a loan and receivable is impaired. The Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. When there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of trade, intercompany and other receivables are disclosed in the balance sheet.

2. Significant acounting policies (continued)

Impairment of available-for-sale investments
The Group follows the guidance of FRS 39 in determining whether available-for-sale investments are considered impaired. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial health of and the near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The fair values of available-for-sale investments are disclosed in the balance sheet.

Impairment of non-financial assets
Determining whether the carrying value of a non-financial asset is impaired requires an estimation of the value in use of the cash-generating units. This requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amounts of fixed assets, investment properties and intangibles are disclosed in the balance sheet.

Revenue recognition
The Group recognises contract revenue based on the stage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2(q). Significant assumption is required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. In making the assumption, the Group evaluates by relying on past experience and the work of engineers. Revenue from construction contracts is disclosed in Note 22.

Revenue arising from additional claims and variation orders, whether billed or unbilled, is recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claims or approve the variation orders, and the amount that it is probable will be accepted by the customer can be measured reliably.

Income taxes
The Group has exposure to income taxes in numerous jurisdictions. Significant assumptions are required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the balance sheet.

Claims, litigations and reviews
The Group entered into various contracts with third parties in its ordinary course of business and is exposed to the risk of claims, litigations or review from the contractual parties and/or government agencies. These can arise for various reasons, including change in scope of work, delay and disputes, defective specifications or routine checks etc. The scope, enforceability and validity of any claim, litigation or review may be highly uncertain. In making its judgement as to whether it is probable that any such claim, litigation or review will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal and technical expertise.

3. Share capital

	Group and Company	
	2010 **$'000**	2009 $'000
Ordinary Shares ("Shares")		
Issued and paid up:		
Balance 1 January		
1,594,496,680 Shares (2009: 1,593,134,180 Shares)	**832,908**	824,571
Issued during the financial year		
11,017,200 Shares (2009: 1,362,500 Shares)	**73,501**	8,337
Balance 31 December		
1,605,513,880 Shares (2009: 1,594,496,680 Shares)	**906,409**	832,908

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends declared by the Company.

During the financial year, the Company issued 11,017,200 Shares for cash upon exercise of options under the KCL Share Option Scheme. This comprised 570,000 Shares at $3.01 per Share, 690,000 Shares at $3.24 per Share, 448,000 Shares at $4.42 per Share, 314,000 Shares at $4.19 per Share, 972,000 Shares at $6.24 per Share, 429,000 Shares at $6.01 per Share, 1,200,000 Shares at $6.39 per Share, 485,000 Shares at $6.16 per Share, 1,632,200 Shares at $7.66 per Share, 941,000 Shares at $7.43 per Share, 333,000 Shares at $9.13 per Share, 911,000 Shares at $8.90 per Share, 688,000 Shares at $9.73 per Share, 597,000 Shares at $10.03 per Share, 96,000 Shares at $4.04 per Share, 596,000 Shares at $3.81 per Share, 53,000 Shares at $8.21 per Share, 42,000 Shares at $7.98 per Share, 4,000 Shares at $8.24 per Share and 16,000 Shares at $8.01 per Share.

KCL Share Option Scheme
The KCL Share Option Scheme ("Scheme"), which has been approved by the shareholders of the Company, is administered by the Remuneration Committee whose members are:

Lim Hock San (Chairman)
Lee Boon Yang
Sven Bang Ullring
Oon Kum Loon (Mrs)
Tow Heng Tan
Danny Teoh (appointed on 1 December 2010)

At the Extraordinary General Meeting of the Company held on 23 April 2010, the Company's shareholders approved the adoption of two new share plans, with effect from the date of termination of the Scheme. The Scheme was terminated on 30 June 2010. Options granted and outstanding prior to the termination will continue to be valid and subject to the terms and conditions of the Scheme.

Under the Scheme, an option may, except in certain special circumstances, be exercised at any time after two years but no later than the expiry date. The two-year vesting period is intended to encourage employees to take a longer-term view of the Company.

The Shares under option may be exercised in full or in respect of 100 Shares or a multiple thereof, on the payment of the subscription price. The subscription price is based on the average last done prices for the Shares of the Company on the Singapore Exchange Securities Trading Limited for the three market days preceding the date of offer. The Remuneration Committee may at its discretion fix the subscription price at a discount not exceeding 20 percent to the above price. None of the options offered in the financial year was granted at a discount.

3. Share capital (continued)

To promote transparency, the Board of Directors had in 2002 resolved that the date of offer of share options under the Scheme shall be a pre-determined date; that is, the date falling 14 days immediately after the date of announcement of the Company's half-year or full-year results, as the case may be. The number of Shares available under the Scheme shall not exceed 15% of the issued share capital of the Company.

The employees to whom the options have been granted do not have the right to participate by virtue of the options in a share issue of any other company.

Movements in the number of share options and their weighted average exercise prices are as follows:

	2010		2009	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance at 1 January	**59,594,000**	**^$8.15**	45,491,000	$9.23
Granted	**8,079,000**	**$8.01**	17,414,500	$6.04
Exercised	**(11,017,200)**	**$6.55**	(1,362,500)	$6.12
Cancelled	**(3,264,800)**	**$9.24**	(1,949,000)	$8.91
Balance at 31 December	**53,391,000**	**$8.40**	59,594,000	$8.38
Exercisable at 31 December	**30,561,000**	**$9.70**	28,056,500	$8.79

^ Weighted average exercise price adjusted for dividend in specie in K-Green Trust's units

The weighted average share price at the date of exercise for options exercised during the financial year was $9.84 (2009: $8.04). The options outstanding at the end of the financial year had a weighted average exercise price of $8.40 (2009: $8.38) and a weighted average remaining contractual life of 7.6 years (2009: 7.9 years).

On 9 February 2010, the Company granted 8,079,000 options under the KCL Share Option Scheme. The estimated fair value of the options granted is $1.97 per share. Options granted on 5 February 2009 and 6 August 2009 had estimated fair values of $0.64 per share and $1.98 per share respectively. These fair values are determined using the Black-Scholes pricing model. The significant inputs into the model are as follows:

	2010	2009	
Date of grant	**09.02.2010**	05.02.2009	06.08.2009
Prevailing share price at grant	**$8.24**	$4.04	$8.21
Exercise price	**$8.24**	$4.04	$8.21
Expected volatility	**42.98%**	41.43%	42.82%
Expected life	**4.0 years**	4.0 years	4.0 years
Risk free rate	**1.15%**	0.96%	0.97%
Expected dividend yield	**4.61%**	8.66%	4.38%

The expected volatility is determined by calculating the historical volatility of the Company's share price over the previous 4.0 years (2009: 4.0 years). The expected lives used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Details of share options granted by Keppel Land Limited and Keppel Telecommunications & Transportation Ltd, subsidiaries of the Company are disclosed in the annual reports of the respective publicly-listed subsidiaries.

KCL Share Plans

The KCL Restricted Share Plan ("KCL RSP") and KCL Performance Share Plan ("KCL PSP") were approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 23 April 2010. The two share plans are administered by the Remuneration Committee.

Details of the KCL RSP and the KCL PSP are as follows:

	KCL RSP	**KCL PSP**
Plan Description	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets at the end of a one-year performance period	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a three-year performance period
Performance Conditions	Return on Equity	a) Economic Value Added b) Absolute Total Shareholder's Return c) Relative Total Shareholder's Return to MSCI Asia Pacific Ex-Japan Industrials Index (MXAPJIN)
Final Award	0% or 100% of the contingent award granted, depending on achievement of pre-determined targets	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets
Vesting Condition and Schedule	If pre-determined targets are achieved, awards will vest equally over three years subject to fulfillment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the three-year performance period subject to fulfillment of service requirements

Movements in the number of shares under the KCL RSP and the KCL PSP are as follows:

	2010	
	KCL RSP	**KCL PSP**
Balance at 1 January	**-**	**-**
Granted	**3,796,500**	**680,000**
Adjustment	**-**	**-**
Vested	**-**	**-**
Cancelled	**(38,534)**	**-**
Balance at 31 December	**3,757,966**	**680,000**

Executive Directors who are eligible for the KCL Share Plans are required to hold a minimum number of shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

At the end of the financial year, the number of contingent Shares granted but not released was 3,757,966 under the KCL RSP and 680,000 under the KCL PSP. Depending on the achievement of pre-determined performance targets, the actual number of Shares to be released could be zero or 3,757,966 under the KCL RSP and range from zero to a maximum of 1,020,000 under the KCL PSP.

3. Share capital (continued)

The fair values of the contingent award of shares under the KCL RSP and the KCL PSP are determined at the grant date using Monte Carlo simulation method which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility.

On 30 June 2010, the Company granted contingent awards of 3,796,500 shares under the KCL RSP and 680,000 shares under the KCL PSP. The estimated fair value of the shares granted ranges from $7.72 to $8.30 under the KCL RSP and amounts to $7.08 under the KCL PSP. The significant inputs into the model are as follows:

	2010	
	KCL RSP	**KCL PSP**
Date of grant	**30.06.2010**	**30.06.2010**
Prevailing share price at date of grant	**$8.51**	**$8.51**
Expected volatility:		
Company	**47.54%**	**47.54%**
MXAPJIN	**#**	**40.13%**
Correlation with MXAPJIN	**#**	**82.60%**
Expected term	**0.5 - 2.5 years**	**2.5 years**
Risk free rate	**0.42% - 0.53%**	**0.53%**
Expected dividend yield	*	*

This input is not required for the valuation of shares granted under the KCL RSP.
* Expected dividend yield is based on management's forecast.

The expected volatilities are based on the historical volatilities of the Company's share price and the MXAPJIN price over the previous 36 months immediately preceding the grant date. The expected term used in the model is based on the grant date and the end of the performance period.

Details of share plans granted by Keppel Land Limited and Keppel Telecommunications & Transportation Ltd, subsidiaries of the Company are disclosed in the annual reports of the respective publicly-listed subsidiaries.

4. Reserves

	Group		Company	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Capital Reserves				
Share option and share plan reserve	**137,410**	100,777	**126,020**	91,555
Fair value reserve	**370,162**	231,920	**-**	-
Hedging reserve	**95,474**	141,999	**-**	-
Bonus issue by subsidiaries	**40,000**	40,000	**-**	-
Others	**10,578**	25,593	**-**	-
	653,624	540,289	**126,020**	91,555
Revenue Reserves	**5,318,836**	4,695,478	**3,657,497**	3,833,363
Foreign Exchange Translation Account	**(139,083)**	(83,328)	**-**	-
	5,833,377	5,152,439	**3,783,517**	3,924,918

Movements in the Group's and the Company's reserves are set out in the Consolidated Statement of Comprehensive Income and Statement of Changes in Equity respectively.

5. Fixed assets

	Freehold Land & Buildings $'000	Leasehold Land & Buildings $'000	Vessels & Floating Docks $'000	Plant, Machinery & Equipment $'000	Capital Work-in-Progress $'000	Total $'000
Group						
2010						
Cost						
At 1 January	54,337	1,333,783	233,049	1,855,079	278,232	3,754,480
Additions	147	30,454	48,017	52,817	99,405	230,840
Disposals	-	(2,573)	(22,797)	(20,062)	-	(45,432)
Write-off	(22)	(68)	-	(4,751)	(7,442)	(12,283)
Subsidiary acquired	68,377	3,762	44,033	60,517	-	176,689
Subsidiaries disposed	-	-	-	(1,239)	-	(1,239)
Reclassification						
- Stocks	-	-	-	(946)	-	(946)
- Investment properties	(676)	-	-	162	-	(514)
- Other assets	(92)	(7,615)	-	(30)	(945)	(8,682)
- Other fixed assets categories	606	16,100	21,247	71,480	(109,433)	-
Exchange differences	(1,119)	(20,137)	(2,907)	(21,652)	(3,419)	(49,234)
At 31 December	121,558	1,353,706	320,642	1,991,375	256,398	4,043,679
Accumulated Depreciation & Impairment Losses						
At 1 January	18,852	522,729	125,689	930,038	-	1,597,308
Depreciation charge	2,319	48,382	22,760	113,254	-	186,715
Impairment loss (Note 26)	-	10,319	-	17,453	-	27,772
Disposals	-	(1,742)	(11,532)	(16,839)	-	(30,113)
Write-off	(22)	(470)	(3,913)	(3,634)	-	(8,039)
Subsidiary acquired	13,254	2,539	10,522	26,838	-	53,153
Subsidiaries disposed	-	-	-	(232)	-	(232)
Reclassification						
- Stocks	-	-	-	178	-	178
- Other assets	(26)	(1,158)	-	(89)	-	(1,273)
- Other fixed assets categories	-	450	-	(450)	-	-
Exchange differences	(620)	(8,942)	(1,794)	(13,584)	-	(24,940)
At 31 December	33,757	572,107	141,732	1,052,933	-	1,800,529
Net Book Value	87,801	781,599	178,910	938,442	256,398	2,243,150

5. Fixed assets (continued)

	Freehold Land & Buildings $'000	Leasehold Land & Buildings $'000	Vessels & Floating Docks $'000	Plant, Machinery & Equipment $'000	Capital Work-in-Progress $'000	Total $'000
Group						
2009						
Cost						
At 1 January	52,628	1,262,154	223,638	1,731,321	207,813	3,477,554
Additions	248	10,999	14,381	48,486	218,457	292,571
Disposals	(255)	(644)	(10,684)	(21,978)	(19,025)	(52,586)
Subsidiary acquired	-	15,213	-	132,300	30,683	178,196
Subsidiary disposed	(213)	-	-	(87,902)	-	(88,115)
Reclassification						
- Stocks	-	-	-	(827)	-	(827)
- Other assets	-	1,019	-	286	-	1,305
- Other fixed assets categories	2,118	72,695	4,105	75,443	(154,361)	-
Exchange differences	(189)	(27,653)	1,609	(22,050)	(5,335)	(53,618)
At 31 December	54,337	1,333,783	233,049	1,855,079	278,232	3,754,480
Accumulated Depreciation & Impairment Losses						
At 1 January	19,418	490,420	101,514	919,540	-	1,530,892
Depreciation charge	2,539	41,675	28,931	100,701	-	173,846
Impairment loss (Note 26)	-	655	-	-	-	655
Disposals	(165)	(155)	(2,443)	(17,932)	-	(20,695)
Subsidiary acquired	-	4,853	-	29,836	-	34,689
Subsidiary disposed	(213)	-	-	(87,902)	-	(88,115)
Reclassification						
- Stocks	-	-	-	130	-	130
- Other assets	-	287	-	157	-	444
- Other fixed assets categories	(2,460)	(197)	(2,411)	5,068	-	-
Exchange differences	(267)	(14,809)	98	(19,560)	-	(34,538)
At 31 December	18,852	522,729	125,689	930,038	-	1,597,308
Net Book Value	35,485	811,054	107,360	925,041	278,232	2,157,172

During the financial year, the Group recognised impairment losses of $27,772,000 (2009: $655,000) which relates to write-down of non-performing assets in the Offshore & Marine and Property divisions. These non-performing assets were fully written down.

Certain plant, machinery and equipment with carrying amount of $83,665,000 (2009: $14,322,000) are mortgaged to banks for loan facilities (Note 19).

	Freehold Land & Buildings $'000	Leasehold Land & Buildings $'000	Plant, Machinery & Equipment $'000	Total $'000
Company				
2010				
Cost				
At 1 January	**6,569**	**-**	**7,046**	**13,615**
Additions	**-**	**-**	**133**	**133**
Disposals	**-**	**-**	**(312)**	**(312)**
At 31 December	**6,569**	**-**	**6,867**	**13,436**
Accumulated Depreciation				
At 1 January	**1,752**	**-**	**6,433**	**8,185**
Depreciation charge	**41**	**-**	**298**	**339**
Disposals	**-**	**-**	**(208)**	**(208)**
At 31 December	**1,793**	**-**	**6,523**	**8,316**
Net Book Value	**4,776**	**-**	**344**	**5,120**
2009				
Cost				
At 1 January	6,542	484	6,952	13,978
Additions	27	-	417	444
Disposals	-	(484)	(323)	(807)
At 31 December	6,569	-	7,046	13,615
Accumulated Depreciation				
At 1 January	1,711	82	6,295	8,088
Depreciation charge	41	5	385	431
Disposals	-	(87)	(247)	(334)
At 31 December	1,752	-	6,433	8,185
Net Book Value	4,817	-	613	5,430

6. Investment properties

	Group 2010 $'000	Group 2009 $'000
At 1 January	**3,051,247**	3,029,675
Acquisition of properties	**379,891**	107,690
Development expenditure	**262,342**	75,536
Fair value gain/(loss) (Note 26)	**64,719**	(131,920)
Disposals	**(32,258)**	(19,458)
Write-off	**-**	(255)
Reclassification		
- Fixed assets	**514**	-
- Stocks	**(509,564)**	(21)
Exchange differences	**(9,352)**	(10,000)
At 31 December	**3,207,539**	3,051,247

The Group's investment properties (including integral plant and machinery) are stated at Directors' valuations based on the following valuations (open market value basis) by independent firms of professional valuers as at 31 December 2010:

– Colliers International Consultancy & Valuation (Singapore) Pte Ltd for properties in Singapore;
– Savills (Qld) Pty Limited and m3 Property Strategists for properties in Australia;
– CB Richard Ellis (Vietnam) Co. Ltd and Allied Appraisal Consultants Pte Ltd for properties in Vietnam; and
– KJPP Wilson & Rekan (an affiliate of Knight Frank) and KJPP Benny, Desmar & Rekan for properties in Indonesia.

Interest capitalised during the financial year amounted to $1,968,000 (2009: $1,992,000).

Certain investment properties with carrying amount of $2,024,600,000 (2009: $2,125,600,000) are mortgaged to banks for loan facilities (Note 19).

7. Subsidiaries

	Company 2010 $'000	Company 2009 $'000
Quoted shares, at cost		
Market value: $4,276,939,000 (2009: $3,243,780,000)	**1,788,191**	1,728,360
Unquoted shares, at cost	**2,169,218**	1,933,706
	3,957,409	3,662,066
Provision for impairment	**(377,000)**	(265,000)
	3,580,409	3,397,066
Advances from subsidiaries	**-**	(3,600)
	3,580,409	3,393,466

Movements in the provision for impairment of subsidiaries are as follows:

	Company 2010 $'000	Company 2009 $'000
At 1 January	**265,000**	265,000
Charge to profit and loss account	**112,000**	-
At 31 December	**377,000**	265,000

Advances from subsidiaries are unsecured, interest free and are not repayable within the next 12 months.

Information relating to significant subsidiaries consolidated in the financial statements is given in Note 37.

8. Associated companies

	Group		Company	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Quoted shares, at cost Market value: $885,408,000 (2009: $474,190,000)	**561,226**	208,176	**-**	-
Unquoted shares, at cost	**966,034**	795,997	**55**	3,074
	1,527,260	1,004,173	**55**	3,074
Provision for impairment	**(147,800)**	(94,207)	**-**	-
	1,379,460	909,966	**55**	3,074
Share of reserves	**1,176,775**	527,549	**-**	-
	2,556,235	1,437,515	**55**	3,074
Advances to associated companies	**1,050,488**	1,285,654	**-**	-
	3,606,723	2,723,169	**55**	3,074

Movements in the provision for impairment of associated companies are as follows:

	Group 2010	Group 2009	Company 2010	Company 2009
At 1 January	**94,207**	33,993	**-**	-
Write back to profit and loss account	**-**	(56)	**-**	-
Impairment loss (Note 26)	**1,544**	61,000	**-**	-
Reclassification (Note 10)	**52,522**	-	**-**	-
Exchange differences	**(473)**	(730)	**-**	-
At 31 December	**147,800**	94,207	**-**	-

Advances to associated companies are unsecured and are not repayable within the next 12 months. Interest is charged at rates ranging from 1.18% to 3.63% (2009: 1.47% to 4.47%) per annum.

During the financial year, the Group recognised an impairment loss of $1,544,000 (2009: $61,000,000) on investment in associated companies. The carrying amount of the associated companies were reduced to its recoverable amount, which was based on the estimated future cash flow from operations discounted to present value ranging from 5.53% to 6.05% (2009: 11%).

	Group	
	2010 $'000	2009 $'000
The share of net profit of associated companies is as follows:		
Share of profit before tax and exceptional items	**215,249**	321,683
Share of exceptional items (Note 26)	**775,821**	100,684
Share of profit before taxation	**991,070**	422,367
Share of taxation (Note 27)	**(184,730)**	(57,226)
Share of net profit#	**806,340**	365,141

This comprises share of net profit before exceptional items of $178,295,000 (2009: $276,013,000) and share of exceptional items (net of tax) of $628,045,000 (2009: $89,128,000).

The summarised financial information of associated companies, not adjusted for the Group's proportionate share, is as follows:

	2010	2009
Total assets	**16,274,056**	12,657,767
Total liabilities	**8,426,896**	7,478,745
Revenue	**3,964,732**	3,777,218
Net profit before exceptional items	**574,042**	673,342
Net profit after exceptional items	**2,657,740**	912,386

Information relating to significant associated companies whose results are included in the financial statements is given in Note 37.

9. Investments

	Group	
	2010 $'000	2009 $'000
Available-for-sale investments:		
Quoted equity shares	**126,343**	49,992
Unquoted equity shares	**51,738**	40,351
Unquoted property funds	**104,130**	61,703
Unquoted bonds	**17,685**	-
	299,896	152,046

10. Long term receivables

	Group		Company	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Receivables from service concession arrangements	**-**	564,387	**-**	-
Staff loans	**2,543**	2,941	**560**	793
Long term trade receivables and others	**27,534**	40,028	**-**	-
	30,077	607,356	**560**	793
Less: Amounts due within one year and included in debtors (Note 14)	**(1,431)**	(55,957)	**(200)**	(209)
	28,646	551,399	**360**	584
Provision for doubtful debts	**-**	(3,734)	**-**	-
	28,646	547,665	**360**	584

Movements in the provision for doubtful debts are as follows:

	Group		Company	
At 1 January	**3,734**	3,930	**-**	-
Amount written off	**-**	52	**-**	-
Amount utilised	**(3,810)**	-	**-**	-
Exchange differences	**76**	(248)	**-**	-
At 31 December	**-**	3,734	**-**	-

Included in staff loans are interest free advances to certain Directors amounting to $259,000 (2009: $210,000) and to directors of related corporations amounting to $221,000 (2009: $436,000) under an approved car loan scheme.

Long term receivables are unsecured, largely repayable after five years and bears effective interest ranging from 2.00% to 13.00% (2009: 2.00% to 5.00%) per annum.

As at 31 December 2009, receivables arising from service concession arrangements arose from the following:

(a) a 20-year contract to build and operate a water treatment plant. The plant started commercial operations in 2007;
(b) a 25-year contract to build and operate a waste-to-energy plant. The plant started commercial operations in November 2009; and
(c) a 15-year contract to design, upgrade, own and operate an incineration plant. The plant was acquired from the Singapore Government in August 2009.

The above arrangements are classified as service concession arrangements under INT FRS 112. Under the terms of the arrangements, the Group will receive an aggregate minimum amount yearly from the contracted parties (grantors) in exchange for services performed by the Group when the plants are in commercial operations. Revenue and profit arising from these arrangements for the provision of construction services amounted to $39,876,000 and $4,969,000 respectively in the year ended 31 December 2009. During the financial year, the subsidiaries holding these arrangements were disposed pursuant to the distribution of dividend in specie of K-Green Trust units.

In the previous financial year, certain assets of the waste-to-energy plant with carrying amount of $163,337,000 are mortgaged to banks for loan facilities (Note 19).

During the previous financial year, the Group recognised an impairment loss of $107,522,000 on certain long term receivable. The carrying amount of the long term receivable was reduced to its recoverable amount, which was based on the estimated future cash flow from operations discounted to present value at 5%. During the financial year, impairment loss of $55,000,000 (Note 26) was reversed and the remaining impairment loss of $52,522,000 (Note 8) was reclassified to provision for impairment of associated companies upon the distribution of dividend in specie of 51% equity interest in K-Green Trust units.

The fair value of long term receivables for the Group is $28,329,000 (2009: $547,272,000). The carrying amount of long term receivables for the Company approximates its fair value. These fair values are computed on the discounted cash flow method using a discount rate based upon the market-related rate for a similar instrument as at the balance sheet date.

11. Intangibles

	Goodwill $'000	Development Expenditure $'000	Customer Contracts $'000	Total $'000
Group				
2010				
At 1 January	**87,004**	**3,114**	**-**	**90,118**
Additions	**10,560**	**5,256**	**-**	**15,816**
Amortisation	**-**	**(450)**	**(1,468)**	**(1,918)**
Impairment loss (Note 26)	**-**	**(314)**	**-**	**(314)**
Reclassification	**(24,615)**	**3,883**	**24,963**	**4,231**
Exchange differences	**-**	**(257)**	**-**	**(257)**
At 31 December	**72,949**	**11,232**	**23,495**	**107,676**
Cost	**72,949**	**21,050**	**24,963**	**118,962**
Accumulated amortisation	**-**	**(9,818)**	**(1,468)**	**(11,286)**
	72,949	**11,232**	**23,495**	**107,676**
2009				
At 1 January	73,253	5,234	-	78,487
Additions	24,615	151	-	24,766
Amortisation	-	(467)	-	(467)
Impairment loss (Note 26)	(11,568)	-	-	(11,568)
Reclassification	704	(1,655)	-	(951)
Exchange differences	-	(149)	-	(149)
At 31 December	87,004	3,114	-	90,118
Cost	87,004	12,981	-	99,985
Accumulated amortisation	-	(9,867)	-	(9,867)
	87,004	3,114	-	90,118

11. Intangibles (continued)

For the purpose of impairment testing, goodwill is allocated to cash-generating units.

Goodwill allocated to Offshore & Marine division amounted to $15,771,000 (2009: $5,211,000). The recoverable amount is determined based on value-in-use calculation using cash flow projections derived from the most recent financial budgets approved by management for the next five years using discount rates ranging from 7.32% to 15.25% (2009: 7.30% to 16.10%). The key assumptions are those regarding the discount rate and expected changes to selling prices and direct costs. Management estimates discount rate using pre-tax rate that reflects current market assessment of the time value of money and risks specific to the unit. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Goodwill allocated to Infrastructure division amounted to $57,178,000 (2009: $81,793,000). In the previous financial year, this includes provisional goodwill of $24,615,000 arising from the acquisition of Keppel DHCS Pte Ltd (previously First DCS Pte Ltd). Upon the completion of purchase price allocation during the current financial year, provisional goodwill was allocated to the attributable assets and liabilities. The recoverable amount of goodwill at balance sheet date is based on current bid prices of the cash-generating unit.

During the previous financial year, goodwill allocated to Offshore & Marine division of $11,568,000 was impaired as the recoverable amount based on value-in-use calculation was lower than the carrying amount.

12. Stocks and work-in-progress

		Group	
		2010 $'000	2009 $'000
Work-in-progress in excess of related billings	(a)	**605,210**	648,925
Stocks	(c)	**164,400**	248,109
Properties held for sale	(d)	**3,671,217**	2,281,148
		4,440,827	3,178,182
Billings on work-in-progress in excess of related costs	(b)	**(1,638,193)**	(1,683,392)

(a) Work-in-Progress in excess of Related Billings

	2010	2009
Costs incurred and attributable profits	**2,279,293**	7,027,504
Provision for loss on work-in-progress	**(3,651)**	(2,809)
	2,275,642	7,024,695
Less: Progress billings	**(1,670,432)**	(6,375,770)
	605,210	648,925

Movements in the provision for loss on work-in-progress are as follows:

	2010	2009
At 1 January	**2,809**	1,534
Charge to profit and loss account	**1,597**	1,963
Amount utilised	**(768)**	(611)
Exchange differences	**13**	(77)
At 31 December	**3,651**	2,809

(b) Billings on Work-in-Progress in excess of Related Costs

	2010	2009
Costs incurred and attributable profits	**14,541,819**	11,753,627
Less: Progress billings	**(16,180,012)**	(13,437,019)
	(1,638,193)	(1,683,392)

		Group	
		2010 $'000	2009 $'000
(c)	Stocks		
	Consumable materials and supplies	**161,620**	235,984
	Finished products for sale	**2,780**	12,125
		164,400	248,109
(d)	Properties Held For Sale		
	Properties under development		
	Land cost	**2,583,577**	1,537,652
	Development cost incurred to date	**1,500,932**	1,066,114
	Related overhead expenditure	**645,352**	576,876
	Progress billing and recognised profit	**(1,059,510)**	(1,047,505)
		3,670,351	2,133,137
	Completed properties held for sale	**44,813**	196,212
		3,715,164	2,329,349
	Provision for properties held for sale	**(43,947)**	(48,201)
		3,671,217	2,281,148

Movements in the provision for properties held for sale are as follows:

	2010 $'000	2009 $'000
At 1 January	**48,201**	72,187
Charge/(Write-back) to profit and loss account	**3,128**	(13,237)
Amount utilised	**(7,378)**	(10,739)
Exchange differences	**(4)**	(10)
At 31 December	**43,947**	48,201

Interest capitalised during the financial year amounted to $16,368,000 (2009: $17,319,000) at rates ranging from 1.00% to 2.50% (2009: 0.91% to 4.14%) per annum for Singapore properties and 2.88% to 15.50% (2009: 3.10% to 21.00%) per annum for overseas properties.

Certain properties held for sale with carrying amount of $444,705,000 (2009: $101,879,000) are mortgaged to banks for loan facilities (Note 19).

13. Amounts due from/to

	Group		Company	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Subsidiaries				
Amounts due from				
- trade	**-**	-	**6,876**	6,155
- advances	**-**	-	**1,731,997**	1,642,973
	-	-	**1,738,873**	1,649,128
Provision for doubtful debts	**-**	-	**(6,600)**	(6,600)
	-	-	**1,732,273**	1,642,528
Amounts due to				
- trade	**-**	-	**161,893**	163,307
- advances	**-**	-	**79,899**	102,239
	-	-	**241,792**	265,546

Movements in the provision for doubtful debts are as follows:

At 1 January/31 December	**-**	-	**6,600**	6,600

Advances to and from subsidiaries are unsecured and are repayable on demand. Interest is charged at rates ranging from 0.07% to 5.25% (2009: 0.10% to 6.00%) per annum on interest-bearing advances.

	Group 2010	Group 2009	Company 2010	Company 2009
Associated Companies				
Amounts due from				
- trade	**76,959**	86,330	**2,575**	6,056
- advances	**228,872**	207,728	**-**	-
	305,831	294,058	**2,575**	6,056
Provision for doubtful debts	**(669)**	(6,136)	**-**	-
	305,162	287,922	**2,575**	6,056
Amounts due to				
- trade	**5,867**	13,388	**-**	-
- advances	**174,742**	154,798	**-**	-
	180,609	168,186	**-**	-

Movements in the provision for doubtful debts are as follows:

	Group 2010	Group 2009	Company 2010	Company 2009
At 1 January	**6,136**	1,113	**-**	-
(Write-back)/Charge to profit and loss account	**(5,467)**	5,023	**-**	-
At 31 December	**669**	6,136	**-**	-

Advances to and from associated companies are unsecured and are repayable on demand. Interest is charged at rates ranging from 0.18% to 12.50% (2009: 0.13% to 5.31%) per annum on interest-bearing advances.

14. Debtors

	Group		Company	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Trade debtors	**1,053,217**	1,105,613	**-**	-
Provision for doubtful debts	**(39,156)**	(36,552)	**-**	-
	1,014,061	1,069,061	**-**	-
Long term receivables due within one year (Note 10)	**1,431**	55,957	**200**	209
Sundry debtors	**62,598**	87,293	**371**	269
Prepaid project cost & prepayments	**57,275**	31,118	**197**	166
Derivative financial instruments (Note 34)	**106,488**	117,906	**81,228**	102,502
Tax recoverable	**23,189**	19,258	**-**	-
Goods & Services Tax receivable	**88,466**	91,184	**-**	-
Interest receivable	**19,751**	21,289	**42**	48
Deposits paid	**18,246**	23,092	**378**	381
Land tender deposits	**140,021**	-	**-**	-
Advance land payments	**241,796**	20,664	**-**	-
Recoverable accounts	**41,765**	43,509	**-**	-
Accrued receivables	**9,459**	9,412	**-**	-
Advances to subcontractors	**116,386**	107,129	**-**	-
Advances to corporations in which the Group has investment interests	**250**	48,551	**-**	-
Advances to non-controlling shareholders of subsidiaries	**44,759**	9,496	**-**	-
	971,880	685,858	**82,416**	103,575
Provision for doubtful debts	**(26,948)**	(27,820)	**-**	-
	944,932	658,038	**82,416**	103,575
Total	**1,958,993**	1,727,099	**82,416**	103,575

Movements in the provision for debtors are as follows:

	Group 2010	Group 2009	Company 2010	Company 2009
At 1 January	**64,372**	58,431	**-**	-
Charge to profit and loss account	**5,609**	11,996	**-**	-
Amount written off	**(2,598)**	(5,546)	**-**	-
Reclassification	**-**	67	**-**	-
Exchange differences	**(1,279)**	(576)	**-**	-
At 31 December	**66,104**	64,372	**-**	-

15. Short term investments

	Group	
	2010 $'000	2009 $'000
Available-for-sale investments:		
Quoted equity shares	**412,438**	322,108
Unquoted equity shares	**1,223**	27,680
Unquoted unit trust	**52,323**	46,393
Total available-for-sale investments	**465,984**	396,181
Investments held for trading:		
Quoted equity shares	**70,888**	59,415
Quoted unit trust	**-**	919
Total investments held for trading	**70,888**	60,334
Total short term investments	**536,872**	456,515

16. Bank balances, deposits and cash

	Group		Company	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Bank balances and cash	**1,225,434**	447,051	**2,845**	3,051
Fixed deposits with banks	**2,910,461**	2,379,201	**204,228**	30,456
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost and liabilities	**24,141**	54,898	**-**	-
Amounts held under project accounts, withdrawals from which are restricted to payments for expenditures incurred on projects	**85,954**	54,637	**-**	-
	4,245,990	2,935,787	**207,073**	33,507

Fixed deposits with banks of the Group mature on varying periods, substantially between 1 day to 3 months (2009: 1 day to 3 months). This comprised Singapore dollar fixed deposits of $1,474,593,000 (2009: $956,427,000) at interest rates ranging from 0.00% to 1.13% (2009: 0.10% to 1.10%) per annum, and foreign currency fixed deposits of $1,435,868,000 (2009: $1,422,774,000) at interest rates ranging from 0.00% to 14.00% (2009: 0.10% to 18.00%) per annum.

Fixed deposits with banks of the Company mature on varying periods, substantially in 5 days (2009: 4 days to 3 months). This comprised foreign currency fixed deposits of $204,228,000 (2009: $30,456,000) at interest rates ranging from 0.28% to 1.20% (2009: 0.04% to 3.45%) per annum.

17. Creditors

	Group		Company	
	2010 **$'000**	2009 $'000	**2010** **$'000**	2009 $'000
Trade creditors	**682,357**	875,892	**38**	53
Customers' advances and deposits	**74,999**	60,515	**57**	57
Derivative financial instruments (Note 34)	**51,720**	57,864	**26,950**	37,171
Sundry creditors	**754,078**	623,888	**16,905**	11,829
Accrued operating expenses	**2,305,512**	2,112,151	**90,980**	83,192
Advances from non-controlling shareholders	**337,410**	221,384	**-**	-
Interest payables	**17,131**	9,653	**3,505**	-
Other payables	**119,756**	90,625	**-**	-
	4,342,963	4,051,972	**138,435**	132,302

Advances from non-controlling shareholders of certain subsidiaries are unsecured and are repayable on demand. Interest is charged at rates ranging from 1.04% to 6.00% (2009: 1.25% to 4.64%) per annum on interest-bearing loans.

18. Provisions

	Warranties $'000	Claims $'000	Total $'000
Group			
2010			
At 1 January	**60,953**	**7,903**	**68,856**
Charge to profit and loss account	**11,213**	**14,989**	**26,202**
Amount utilised	**(963)**	**(2,000)**	**(2,963)**
Reclassification	**-**	**(5,500)**	**(5,500)**
Exchange differences	**(3,005)**	**(4)**	**(3,009)**
At 31 December	**68,198**	**15,388**	**83,586**
2009			
At 1 January	58,301	308	58,609
Charge to profit and loss account	5,397	7,601	12,998
Amount utilised	(3,215)	-	(3,215)
Exchange differences	470	(6)	464
At 31 December	60,953	7,903	68,856

19. Term loans

		2010		2009	
		Due within one year $'000	**Due after one year $'000**	Due within one year $'000	Due after one year $'000
Group					
Keppel Corporation Medium Term Notes	(a)	**-**	**500,000**	-	-
Keppel Land Medium Term Notes	(b)	**20,000**	**380,000**	248,000	70,000
Keppel Land 2.5% Convertible Bonds 2013	(c)	**282,536**	**-**	-	275,925
Keppel Land 1.875% Convertible Bonds 2015	(d)	**-**	**478,436**	-	-
Keppel Structured Notes Commodity-linked Notes	(e)	**41,920**	**-**	-	41,920
K-REIT Asia term loans	(f)	**-**	**-**	-	190,085
Bank and other loans					
- secured	(g)	**29,808**	**1,221,141**	174,761	268,045
- unsecured	(h)	**17,500**	**1,096,391**	416,356	72,435
		391,764	**3,675,968**	839,117	918,410
Company					
Keppel Corporation Medium Term Notes	(a)	**-**	**500,000**	-	-
Unsecured bank loans		**9,047**	**-**	-	-
		9,047	**500,000**	-	-

(a) The $500,000,000 Fixed Rate Notes due 2020 were issued during the financial year under the US$600,000,000 Multi-Currency Medium Term Note Programme by the Company. The notes were unsecured and carried fixed interest rate at 3.10% per annum.

(b) At the end of the financial year, notes issued under the US$800,000,000 Multi-Currency Medium Term Note Programme by Keppel Land Limited, a subsidiary of the Company, amounted to $400,000,000. The notes are unsecured and are issued in series or tranches, and comprised fixed rate notes due 2011 to 2017 of $400,000,000. Interest payable is based on money markets rates ranging from 2.67% to 4.25% (2009: 1.14% to 4.25%) per annum.

(c) The $300,000,000 2.5%, 7 year convertible bonds were issued in 2006 by Keppel Land Limited. Interest is payable semi-annually. The bonds, maturing on 23 June 2013, are convertible at the option of bondholders to Keppel Land ordinary shares at a conversion price of $5.58 per share. Any bondholder may request to redeem all or some of its bonds on 23 June 2011 or in the event that its shares cease to be listed or admitted to trading on the Singapore Stock Exchange.

The convertible bonds are recognised on the balance sheet as follows:

	Group	
	2010 $'000	2009 $'000
Balance at 1 January	**275,925**	269,579
Interest expense	**14,111**	13,846
Interest paid	**(7,500)**	(7,500)
Liability component at 31 December	**282,536**	275,925

Interest expense on the convertible bonds is calculated based on the effective interest method by applying the interest rate of 4.78% (2009: 4.78%) per annum for an equivalent non-convertible bond to the liability component of the convertible bonds.

(d) The $500,000,000 1.875%, 5 year convertible bonds were issued during the financial year by Keppel Land Limited. Interest is payable semi-annually. The bonds, maturing on 29 November 2015, are convertible at the option of bondholders to Keppel Land ordinary shares at a conversion price of $6.72 per share. Any bondholder may request to redeem all of its bonds in the event that its shares cease to be listed or admitted to trading on the Singapore Stock Exchange.

The convertible bonds are recognised on the balance sheet as follows:

	2010 **$'000**
Face value of convertible bonds issued	**500,000**
Equity conversion component, net of deferred tax liability	**(12,050)**
Deferred tax liability	**(2,468)**
Bond issue expenses	**(7,400)**
Liability component on initial recognition	**478,082**
Interest expense	**1,135**
Interest paid	**(781)**
Liability component at 31 December	**478,436**

Interest expense on the convertible bonds is calculated based on the effective interest method by applying the interest rate of 2.5% per annum for an equivalent non-convertible bond to the liability component of the convertible bonds.

(e) The S$23,960,000 ("Tranche A") and US$11,565,000 ("Tranche B") commodity-linked notes were issued in 2006 by Keppel Structured Notes Pte Ltd ("KSN"), a subsidiary of the Company. The commodity-linked notes, maturing on 28 November 2011, may be redeemed at par at the option of KSN, in whole, on notice, in the event of certain changes in the tax laws of Singapore, subject to certain other conditions. The notes are unsecured and bear interest payable annually at a rate ranging from 6% to 13% per annum for the period from 27 November 2006 to 28 November 2011. The notes are unconditionally and irrevocably guaranteed by the Company. KSN has entered into a 5-year commodity-linked interest rate swap transaction relating to Tranche A notes and a 5-year commodity-linked cross currency and interest rate swap transaction relating to the Tranche B notes to hedge the foreign exchange and interest rate risks of the notes. The effect of the swap transactions is that KSN pays an interest rate based on money market rates ranging from 0.77% to 1.21% (2009: 1.21% to 1.50%) per annum.

(f) K-REIT Asia, a subsidiary of the Company, secured two fixed rate mortgage loans in 2006 totalling $190,085,000 from a special purpose company, Blossom Assets Ltd. The loans consist of a Tranche A Mortgage Loan amounting to $160,197,000 and a Tranche B Mortgage Loan amounting to $29,888,000, which are funded by the proceeds of commercial mortgaged-backed securities notes issued by Blossom Assets Ltd. The loans are due on 17 May 2011 and are secured on the investment properties and certain assets of K-REIT Asia. Interest is payable ranging from 3.91% to 4.06% (2009: 3.91% to 4.06%) per annum. The term loans were fully repaid in the year.

(g) The secured bank loans consist of:

– A $323,385,000 bank loan drawn down by a subsidiary. The term loan is repayable in 2012 and is secured on the investment property of the subsidiary. Interest is based on money market rates ranging from 0.62% to 2.34% (2009: 0.85% to 2.49%) per annum.

– A term loan of $158,600,000 drawn down by a subsidiary. The term loan is repayable in 2013 and is secured on the investment property of the subsidiary. Interest is based on money market rates ranging from 1.37% to 1.60% (2009: 1.60% to 2.17%) per annum.

19. Term loans (continued)

- A term loan of $240,000,000 drawn down by a subsidiary during the financial year. The term loan is repayable in 2014 and is secured on other assets of the subsidiary. Interest is based on money market rates ranging from 1.00% to 1.10% per annum.

- Bank loans of $425,000,000 drawn down by a subsidiary during the financial year. The term loans are repayable in 2015 and are secured on the investment properties of the subsidiary. Interest is based on money market rates ranging from 1.24% to 1.35% per annum.

- A term loan of $60,863,000 drawn down by subsidiaries during the financial year. The term loan is repayable between one and five years and is secured on certain fixed assets of the subsidiaries. Interest is based on money market rates ranging from 0.85% to 0.86% per annum.

- Other secured bank loans comprised $43,101,000 of foreign currency loans. They are repayable between one and three years and are secured on certain fixed and other assets of subsidiaries. Interest on foreign currency loans is based on money market rates ranging from 6.25% to 11.75% (2009: 6.25% to 14.50%) per annum.

(h) The unsecured bank and other loans of the Group totalling $1,113,891,000 comprised $880,000,000 of loans denominated in Singapore dollar and $233,891,000 of foreign currency loans. They are repayable between one and five years. Interest on loans denominated in Singapore dollar is based on money market rates ranging from 0.85% to 2.54% (2009: 0.93% to 3.46%) per annum. Interest on foreign currency loans is based on money market rates ranging from 0.90% to 15.50% (2009: 9.88% to 21.00%) per annum.

The net book value of property and assets mortgaged to the banks amounted to $2,552,970,000 (2009: $2,405,138,000). These are securities given to the banks for loans and overdraft facilities.

The fair values of term loans for the Group and Company are $4,100,179,000 (2009: $1,777,695,000) and $481,832,000 (2009: $nil) respectively. These fair values are computed on the discounted cash flow method using a discount rate based upon the borrowing rate which the Group expect would be available as at the balance sheet date.

Loans due after one year are estimated to be repayable as follows:

	Group		**Company**	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Years after year-end:				
After one but within two years	**527,257**	289,111	**-**	-
After two but within five years	**2,548,711**	556,253	**-**	-
After five years	**600,000**	73,046	**500,000**	-
	3,675,968	918,410	**500,000**	-

20. Bank overdrafts

	Group	
	2010 $'000	2009 $'000
Secured	**718**	1,668
Unsecured	**18**	-
	736	1,668

Interest on the bank overdrafts is payable at the banks' prevailing prime rates ranging from 5.50% to 6.66% (2009: 5.19%) per annum. The secured bank overdrafts are secured by certain land and building of a subsidiary.

21. Deferred taxation

	Group		Company	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Deferred tax liabilities:				
Accelerated tax depreciation	**161,896**	167,141	**-**	-
Investment properties valuation	**192,534**	175,860	**-**	-
Offshore income & others	**122,671**	88,117	**4,934**	5,377
	477,101	431,118	**4,934**	5,377
Deferred tax assets:				
Other provisions	**(13,821)**	(13,498)	**-**	-
Unutilised tax benefits	**(4,207)**	(5,823)	**-**	-
	(18,028)	(19,321)	**-**	-
Net deferred tax liabilities	**459,073**	411,797	**4,934**	5,377

Deferred tax assets are recognised for unutilised tax benefits carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The Group has unutilised tax losses and capital allowances of $547,551,000 (2009: $722,190,000) for which no deferred tax benefit is recognised in the balance sheet. These tax losses and capital allowances can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The unutilised tax losses and capital allowances do not have expiry dates.

21. Deferred taxation (continued)

Movements in deferred tax liabilities and assets are as follows:

	At 1 January $'000	Charged/ (credited) to profit or loss $'000	Charged/ (credited) to other comprehensive income $'000	Subsidiary acquired $'000	Subsidiaries disposed $'000	Reclassifi- cation $'000	Exchange differences $'000	At 31 December $'000
Group								
2010								
Deferred Tax Liabilities								
Accelerated tax depreciation	**167,141**	**3,885**	**-**	**-**	**(12,659)**	**3,600**	**(71)**	**161,896**
Investment properties valuation	**175,860**	**16,917**	**-**	**-**	**-**	**382**	**(625)**	**192,534**
Offshore income & others	**88,117**	**36,955**	**688**	**-**	**-**	**(3,825)**	**736**	**122,671**
Total	**431,118**	**57,757**	**688**	**-**	**(12,659)**	**157**	**40**	**477,101**
Deferred Tax Assets								
Other provisions	**(13,498)**	**(310)**	**-**	**-**	**-**	**-**	**(13)**	**(13,821)**
Unutilised tax benefits	**(5,823)**	**1,244**	**-**	**-**	**-**	**-**	**372**	**(4,207)**
Total	**(19,321)**	**934**	**-**	**-**	**-**	**-**	**359**	**(18,028)**
Net Deferred Tax Liabilities	**411,797**	**58,691**	**688**	**-**	**(12,659)**	**157**	**399**	**459,073**
2009								
Deferred Tax Liabilities								
Accelerated tax depreciation	159,029	(1,843)	-	9,765	-	-	190	167,141
Investment properties valuation	212,017	(35,616)	-	-	-	-	(541)	175,860
Offshore income & others	78,951	14,497	14,309	-	-	(20,679)	1,039	88,117
Total	449,997	(22,962)	14,309	9,765	-	(20,679)	688	431,118
Deferred Tax Assets								
Other provisions	(40,323)	(1,884)	-	-	-	31,515	(2,806)	(13,498)
Unutilised tax benefits	(28,462)	22,889	-	-	-	-	(250)	(5,823)
Total	(68,785)	21,005	-	-	-	31,515	(3,056)	(19,321)
Net Deferred Tax Liabilities	381,212	(1,957)	14,309	9,765	-	10,836	(2,368)	411,797
Company								
2010								
Deferred Tax Liabilities								
Offshore income	**5,377**	**(443)**	**-**	**-**	**-**	**-**	**-**	**4,934**
2009								
Deferred Tax Liabilities								
Offshore income	5,608	(231)	-	-	-	-	-	5,377

22. Revenue

	Group	
	2010 $'000	2009 $'000
Revenue from construction contracts	**5,931,575**	8,990,796
Sale of property and goods	**1,480,738**	1,337,742
Rental income from investment properties	**192,705**	181,871
Revenue from services rendered	**2,165,992**	1,715,563
Dividend income from quoted shares	**6,182**	6,555
Others	**5,730**	14,594
	9,782,922	12,247,121

23. Staff costs

	Group	
	2010 $'000	2009 $'000
Wages and salaries	**1,078,364**	1,093,522
Employer's contribution to Central Provident Fund	**114,952**	96,026
Share options and share plans granted to Directors and employees	**38,437**	23,682
Other staff benefits	**135,324**	159,175
	1,367,077	1,372,405

24. Operating profit

Operating profit is arrived at after charging/(crediting) the following:

	Group	
	2010 $'000	2009 $'000
Auditors' remuneration		
- auditors of the Company	**1,409**	1,270
- other auditors of subsidiaries	**3,764**	3,824
Fees and other remuneration to Directors of the Company	**964**	1,426
Shares granted to Directors of the Company	**410**	309
Contracts for services rendered by Directors or with a company in which a Director has a substantial financial interest	**801**	642
Key management's emoluments (including executive directors' remuneration)		
- short-term employee benefits	**33,807**	31,326
- post-employment benefits	**100**	420
- share options and share plans granted	**7,993**	3,119
Depreciation of fixed assets	**186,715**	173,846
Write-off of fixed assets and investment properties	**4,244**	255
Amortisation of intangibles	**1,918**	467
(Profit)/loss on sale of fixed assets and investment properties	**(4,949)**	5,781
Profit on sale of investments	**(11,795)**	(24,967)
Fair value (gain)/loss on		
- investments	**(8,028)**	64,320
- forward foreign exchange contracts	**(14,813)**	8,112
- forward HSFO contracts	**-**	(3,053)

24. **Operating profit** (continued)

	Group 2010 $'000	Group 2009 $'000
Provision for		
- warranties	**11,213**	5,397
- claims	**14,989**	7,601
Provision/(write-back) for		
- work-in-progress	**1,597**	1,963
- properties held for sale	**3,128**	(13,237)
- stocks	**379**	-
Provision for doubtful debts		
- trade debts	**4,055**	11,382
- receivables	**-**	60
- other debts	**1,554**	614
Bad debts written off/(recovered)		
- trade debts	**(79)**	(159)
- other debts	**80**	13
Cost of stocks & properties held for sale recognised as expense	**993,343**	858,217
Stocks (recovered)/written down	**(169)**	72,975
Rental expense		
- operating leases	**64,632**	60,647
Direct operating expenses		
- investment properties that generated rental income	**56,766**	59,843
Loss/(gain) on differences in foreign exchange	**53,161**	(5,166)
Non-audit fees paid to		
- auditors of the Company	**135**	118
- other auditors of subsidiaries	**2,121**	608

25. **Investment income, interest income and interest expenses**

	Group 2010 $'000	Group 2009 $'000
Investment income from:		
Shares - quoted outside Singapore	**2,055**	1,694
Shares - unquoted	**5,891**	3,407
	7,946	5,101
Interest income from:		
Bonds, debentures, deposits and associated companies	**111,350**	73,676
Interest expenses on:		
Bonds, debentures, fixed term loans and overdrafts	**(62,959)**	(51,838)
Fair value (loss)/gain on interest rate caps and swaps	**(1,742)**	2,163
	(64,701)	(49,675)

26. Exceptional items

	Group	
	2010 $'000	2009 $'000
Gain on disposal of subsidiaries, associated companies and investments *	**8,645**	639,464
Gain on acquisition of additional interest in subsidiaries	**-**	6,895
Impairment (loss)/write-back of:		
- Fixed assets (Note 5)	**(27,772)**	(655)
- Associated companies (Note 8)	**(1,544)**	(61,000)
- Long term receivables (Note 10)	**55,000**	(107,522)
- Intangibles (Note 11)	**(314)**	(11,568)
- Other assets	**(12,556)**	(21,870)
Other assets written off:		
- Costs associated with long term receivables	**-**	(29,626)
- Foreign exchange translation deficit	**-**	(15,475)
- Other assets	**(9,984)**	(10,310)
Loss provision for cost overruns and completion delays	**(186,775)**	-
Fair value gain/(loss) on investment properties (Note 6)	**64,719**	(131,920)
Share of associated companies ** (Note 8)	**775,821**	100,684
Cost associated with restructuring of operations and others	**(4,139)**	(34,967)
	661,101	322,130
Taxation (Note 27)	**(164,150)**	24,060
	496,951	346,190
Non-controlling interests	**(293,019)**	14,316
Attributable exceptional items	**203,932**	360,506

* In 2009, this represents substantially the gain on disposal of an associated company.
** In 2010 and 2009, this represents substantially the Group's share of fair value gain on investment properties of associated companies.

27. Taxation

(a) Income tax expense

	Group	
	2010 $'000	2009 $'000
Tax expense comprised:		
Current tax	**337,273**	289,420
Adjustment for prior year's tax	**2,471**	(2,621)
Share of taxation of associated companies (Note 8)	**184,730**	57,226
Others	**(2,533)**	5,807
Deferred tax movement:		
Movements in temporary differences (Note 21)	**58,691**	(1,957)
	580,632	347,875

27. Taxation (continued)

The income tax expense on the results of the Group differ from the amount of income tax expense determined by applying the Singapore standard rate of income tax to profit before tax and exceptional items due to the following:

	Group	
	2010 $'000	2009 $'000
Profit before tax and exceptional items	**2,026,338**	1,855,576
Tax calculated at tax rate of 17% (2009: 17%)	**344,477**	315,448
Income not subject to tax	**(45,495)**	(41,316)
Expenses not deductible for tax purposes	**95,189**	109,862
Utilisation of previously unrecognised tax benefits	**(22,376)**	(6,816)
Effect of reduction in tax rate	**-**	(10,272)
Effect of different tax rates in other countries	**42,216**	7,650
Adjustment for prior year's tax	**2,471**	(2,621)
Tax expense/(credit) of exceptional items (Note 26)	**164,150**	(24,060)
	580,632	347,875

(b) Movement in current income tax liabilities

	Group		Company	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
At 1 January	**450,951**	344,020	**27,169**	19,669
Exchange differences	**(6,067)**	5,268	**-**	-
Tax expense	**337,273**	289,420	**8,000**	13,000
Adjustment for prior year's tax	**2,471**	(2,621)	**-**	(935)
Income taxes paid	**(301,546)**	(172,200)	**(9,022)**	(5,334)
Subsidiary acquired	**415**	-	**-**	-
Subsidiaries disposed	**(1,782)**	-	**-**	-
Reclassification	**2,924**	4,371	**-**	-
Others	**60**	(17,307)	**-**	769
At 31 December	**484,699**	450,951	**26,147**	27,169

28. Earnings per ordinary share

	Group			
	2010 $'000		2009 $'000	
	Basic	**Diluted**	Basic	Diluted
Net profit attributable to shareholders before exceptional items	**1,419,052**	**1,419,052**	1,264,611	1,264,611
Adjustment for dilutive potential ordinary shares of subsidiaries and associated companies, before exceptional items	**-**	**(760)**	-	-
Adjusted net profit before exceptional items	**1,419,052**	**1,418,292**	1,264,611	1,264,611
Exceptional items	**203,932**	**203,932**	360,506	360,506
Adjusted net profit after exceptional items	**1,622,984**	**1,622,224**	1,625,117	1,625,117

	Group			
	2010 Number of Shares '000		2009 Number of Shares '000	
	Basic	**Diluted**	Basic	Diluted
Weighted average number of ordinary shares	**1,599,251**	**1,599,251**	1,593,398	1,593,398
Adjustment for dilutive potential ordinary shares	**-**	**11,017**	-	3,474
Weighted average number of ordinary shares used to compute earnings per share	**1,599,251**	**1,610,268**	1,593,398	1,596,872
Earnings per ordinary share				
Before exceptional items	**88.7 cts**	**88.1 cts**	79.4 cts	79.2 cts
After exceptional items	**101.5 cts**	**100.7 cts**	102.0 cts	101.8 cts

29. Dividends

The Directors are pleased to recommend a final dividend of 26 cents per share tax exempt one-tier (2009: final dividend of 23 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2010 for approval by shareholders at the next Annual General Meeting to be convened.

Together with the interim dividend of 16 cents per share tax exempt one-tier (2009: 15 cents per share tax exempt one-tier), total cash dividend paid and proposed in respect of the financial year ended 31 December 2010 will be 42 cents per share tax exempt one-tier (2009: 61 cents per share tax exempt one-tier which included the special dividend in specie of K-Green Trust units of 23 cents per share tax-exempt one-tier).

The Directors are also proposing a bonus issue to shareholders on the basis of one bonus share for every ten existing ordinary shares in the capital of the Company. The proposed bonus issue is conditional upon certain approvals being obtained as described in the announcement dated 25 January 2011.

During the financial year, the following dividends were paid:

	$'000
A final dividend of 23 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the previous financial year	368,021
A special dividend in specie of K-Green Trust units of 23 cents per share tax exempt one-tier in respect of the previous financial year	366,882
An interim dividend of 16 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the current financial year	256,103
	991,006

30. Acquisition of subsidiary

The following was acquired during the financial year:

Subsidiary	Date of acquisition	Gross interest before acquisition	Interest acquired	Gross interest after acquisition	Net assets acquired $'000	Consideration $'000
Subic Shipyard and Engineering, Inc	29.9.2010	45.59%	41.60%	87.19%	72,798	83,358

Details of net assets acquired are disclosed in the Consolidated Statement of Cash Flows.

Had the above been acquired at the beginning of the year, the effect would not have been material to the consolidated financial statements and therefore is not disclosed.

31. Commitments

(a) Capital commitments

	Group 2010 $'000	Group 2009 $'000
Capital expenditure not provided for in the financial statements:		
In respect of contracts placed:		
- for purchase and construction of investment properties	**102,718**	322,986
- for purchase of other fixed assets	**413,760**	91,214
- for purchase/subscription of shares in other companies	**571,943**	857,985
Amounts approved by Directors in addition to contracts placed:		
- for purchase and construction of investment properties	**152,072**	3,625
- for purchase of other fixed assets	**181,316**	140,305
- for purchase/subscription of shares in other companies	**99,304**	92,276
	1,521,113	1,508,391
Less: Non-controlling shareholders' shares	**(415,033)**	(548,047)
	1,106,080	960,344

There was no significant future capital expenditure/commitment of the Company.

(b) Lessee's lease commitments

The Group leases land and office buildings from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease payable in respect of significant non-cancellable operating leases as at the end of the financial year are as follows:

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Years after year-end:				
Within one year	**55,484**	55,100	**322**	252
From two to five years	**194,599**	198,259	**119**	192
After five years	**629,552**	707,541	**-**	-
	879,635	960,900	**441**	444

(c) Lessor's lease commitments

The Group leases out commercial space to non-related parties under non-cancellable operating leases. The future minimum lease receivable in respect of significant non-cancellable operating leases as at the end of the financial year are as follows:

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Years after year-end:				
Within one year	**173,405**	152,049	**-**	-
From two to five years	**271,723**	148,775	**-**	-
After five years	**150,676**	65,825	**-**	-
	595,804	366,649	**-**	-

Some of the operating leases are subject to revision of lease rentals at periodic intervals. For the purposes of the above, the prevailing lease rentals are used.

32. Contingent liabilities (unsecured)

	Group 2010 $'000	Group 2009 $'000	Company 2010 $'000	Company 2009 $'000
Guarantees in respect of banks and other loans granted to subsidiaries and associated companies	**154,618**	24,656	**477,213**	686,376
Bank guarantees	**61,198**	57,521	**-**	-
Others	**53,885**	54,055	**-**	-
	269,701	136,232	**477,213**	686,376

The financial effects of FRS 39 relating to financial guarantee contracts issued by the Company are not material to the financial statements of the Company and therefore are not recognised.

33. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were the following significant related party transactions which were carried out in the normal course of business on terms agreed between the parties during the financial year:

	Group 2010 $'000	Group 2009 $'000
Sale of residential properties to directors and their associates	**1,119**	6,540

34. Financial risk management

The Group operates internationally and is exposed to a variety of financial risks, comprising market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Financial risk management is carried out by the Keppel Group Treasury Department in accordance with established policies and guidelines. These policies and guidelines are established by the Group Central Finance Committee and are updated to take into account changes in the operating environment. This committee is chaired by the Group Finance Director and comprises Chief Financial Officers of the Group's key operating companies and Head Office specialists.

Market Risk

(i) Currency risk

The Group has receivables and payables denominated in foreign currencies viz US dollars, European and other Asian currencies. The Group's foreign currency exposures arise mainly from the exchange rate movement of these foreign currencies against the Singapore dollar, which is the Group's presentation currency. To hedge against the volatility of future cash flows caused by changes in foreign currency rates, the Group utilises forward foreign currency contracts and other foreign currency hedging instruments to hedge the Group's exposure to specific currency risks relating to investments, receivables, payables and other commitments. Group Treasury Department monitors the current and projected foreign currency cash flow of the Group and aims to reduce the exposure of the net position in each currency by borrowing in foreign currency and other currency contracts where appropriate.

As at the end of the financial year, the Group has outstanding forward foreign exchange contracts with notional amounts totalling $3,666,123,000 (2009: $4,080,268,000). The net positive fair value of forward foreign exchange contracts is $68,794,000 (2009: $66,455,000) comprising assets of $97,480,000 (2009: $106,000,000) and liabilities of $28,686,000 (2009: $39,545,000). These amounts are recognised as derivative financial instruments in debtors (Note 14) and creditors (Note 17).

34. Financial risk management (continued)

As at the end of the financial year, the Company has outstanding forward foreign exchange contracts with notional amounts totalling $3,476,028,000 (2009: $4,009,822,000). The net positive fair value of forward foreign exchange contracts is $54,278,000 (2009: $65,331,000) comprising assets of $81,228,000 (2009: $102,502,000) and liabilities of $26,950,000 (2009: $37,171,000). These amounts are recognised as derivative financial instruments in debtors (Note 14) and creditors (Note 17).

Other than the above hedged foreign currency contracts, the unhedged currency exposure of financial assets and financial liabilities denominated in currencies other than the respective entities' functional currencies are as follows:

	2010			2009		
	USD $'000	**Euro $'000**	**Others $'000**	USD $'000	Euro $'000	Others $'000
Group						
Financial Assets						
Debtors	**107,696**	**1,063**	**49,587**	106,702	837	46,451
Investments	**138,338**	**-**	**255,355**	31,434	-	154,103
Bank balances, deposits & cash	**68,980**	**2,429**	**79,061**	80,877	30,269	118,161
Financial Liabilities						
Creditors	**54,269**	**1,208**	**59,209**	46,695	7,031	85,817
Term loans	**58,029**	**-**	**27,052**	-	-	14,464
Company						
Financial Assets						
Debtors	**1,365**	**-**	**228**	-	-	181
Bank balances, deposits & cash	**-**	**-**	**1,815**	501	7,622	25,097
Financial Liabilities						
Creditors	**-**	**-**	**95**	-	-	118

Sensitivity analysis for currency risk
If the relevant foreign currency change against SGD by 5% (2009: 5%) with all other variables held constant, the effects will be as follows:

	Profit before tax		**Equity**	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Group				
USD against SGD				
- Strengthened	**3,243**	7,045	**6,970**	1,571
- Weakened	**(3,243)**	(7,045)	**(6,970)**	(1,571)
Euro against SGD				
- Strengthened	**114**	1,205	**-**	-
- Weakened	**(114)**	(1,205)	**-**	-
Company				
USD against SGD				
- Strengthened	**69**	25	**-**	-
- Weakened	**(69)**	(25)	**-**	-
Euro against SGD				
- Strengthened	**-**	382	**-**	-
- Weakened	**-**	(382)	**-**	-

(ii) Interest rate risk

The Group is exposed to interest rate risk for changes in interest rates primarily for debt obligations, placements in the money market and investments in bonds. The Group policy is to maintain a mix of fixed and variable rate debt instruments with varying maturities. Where necessary, the Group uses derivative financial instruments to hedge interest rate risks.

The Group purchases interest rate caps to hedge the interest rate risk exposure arising from its US$ and S$ variable rate term loans (Note 19). As at the end of the financial year, the Group has the following outstanding interest rate cap agreements.

Year	Notional amount	Maturity	Interest rate caps
2010	**$45,758,000**	**2011**	**3%**
2009	$48,579,000	2011	3%

The positive fair values of interest rate caps for the Group are $nil (2009: $78,000). This amount is recognised as derivative financial instruments in debtors (Note 14).

The Group enters into interest rate swap agreements to hedge the interest rate risk exposure arising from its S$ variable rate term loans (Note 19). As at the end of the financial year, the Group has interest rate swap agreements with notional amount totalling $929,075,000 (2009: $366,765,000) whereby it receives variable rates equal to SIBOR (2009: SIBOR) and pays fixed rates of between 1.43% and 3.62% (2009: 2.55% and 4.42%) on the notional amount.

The net negative fair value of interest rate swaps for the Group is $19,807,000 (2009: $15,564,000) comprising assets of $3,217,000 (2009: $2,340,000) and liabilities of $23,024,000 (2009: $17,904,000). These amounts are recognised as derivative financial instruments in debtors (Note 14) and creditors (Note 17).

Sensitivity analysis for interest rate risk

If interest rates increase/decrease by 0.5% (2009: 0.5%) with all other variables held constant, the Group's profit before tax would have been lower/higher by $5,040,000 (2009: $3,545,000) as a result of higher/lower interest expense on floating rate loans.

(iii) Price risk

The Group hedges against fluctuations arising on the purchase of natural gas that affect cost. Exposure to price fluctuations is managed via fuel oil forward contracts, whereby the price of natural gas is indexed to a benchmark fuel price index, High Sulphur Fuel Oil (HSFO) 180-CST. As at the end of the financial year, the Group has outstanding HSFO forward contracts with notional amounts totalling $93,331,000 (2009: $73,529,000). The net positive fair value of HSFO forward contracts for the Group is $5,781,000 (2009: $9,073,000) comprising assets of $5,791,000 (2009: $9,488,000) and liabilities of $10,000 (2009: $415,000). These amounts are recognised as derivative financial instruments in debtors (Note 14) and creditors (Note 17).

The Group is exposed to equity securities price risk arising from equity investments classified as investments held for trading and available-for-sale investments. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

34. Financial risk management (continued)

Sensitivity analysis for price risk
If prices for HSFO increase/decrease by 5% (2009: 5%) with all other variables held constant, the Group's hedging reserve in equity would have been higher/lower by $4,956,000 (2009: $4,130,000) as a result of fair value changes on cash flow hedges.

If prices for quoted investments increase/decrease by 5% (2009: 5%) with all other variables held constant, the Group's profit before tax would have been higher/lower by $3,544,000 (2009: $3,017,000) as a result of higher/lower fair value gains on investments held for trading, and the Group's fair value reserve in other comprehensive income would have been higher/lower by $29,555,000 (2009: $20,925,000) as a result of higher/lower fair value gains on available-for-sale investments.

Credit Risk
Credit risk refers to the risk that debtors will default on their obligation to repay the amount owing to the Group. A substantial portion of the Group's revenue is on credit terms or stage of completion. These credit terms are normally contractual. The Group adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The credit policy spells out clearly the guidelines on extending credit terms to customers, including monitoring the process and using related industry's practices as reference. This includes assessment and valuation of customers' credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered. The Group's policy does not permit non-secured credit risk to be significantly centralised in one customer or a group of customers.

The maximum exposure to credit risk is the carrying amount of financial assets which are mainly trade debtors and bank balances, deposits and cash.

(i) Financial assets that are neither past due nor impaired
Trade debtors that are neither past due nor impaired are substantially companies with good collection track record with the Group. Bank deposits, forward foreign exchange contracts, interest rate caps and interest rate swaps are mainly transacted with banks of high credit ratings assigned by international credit-rating agencies.

(ii) Financial assets that are past due but not impaired/partially impaired
The age analysis of trade debtors past due but not impaired/partially impaired is as follows:

	Group	
	2010 $'000	2009 $'000
Past due 0 to 3 months but not impaired	**96,298**	254,892
Past due 3 to 6 months but not impaired	**30,152**	149,638
Past due over 6 months and partially impaired	**82,611**	122,779
	209,061	527,309

Trade debtors that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments.

Information relating to the provision for doubtful debts is given in Note 14.

Liquidity Risk

Prudent liquidity risk management requires the Group to maintain sufficient cash and marketable securities, internally generated cash flows, and the availability of funding resources through an adequate amount of committed credit facilities. Group Treasury also maintains a mix of short-term money market borrowings and medium/long term loans to fund working capital requirements and capital expenditures/investments. Due to the dynamic nature of business, the Group maintains flexibility in funding by ensuring that ample working capital lines are available at any one time.

Information relating to the maturity profile of loans is given in Note 19.

The following table details the liquidity analysis for derivative financial instruments of the Group and the Company based on contractual undiscounted cash inflows/(outflows).

	Within one year $'000	Within one to two years $'000	Within two to five years $'000
Group			
2010			
Gross-settled forward foreign exchange contracts			
- Receipts	**2,791,408**	**830,045**	**171,831**
- Payments	**(2,704,945)**	**(804,220)**	**(172,359)**
Net-settled HSFO forward contracts			
- Receipts	**5,335**	**448**	**8**
- Payments	**(10)**	**-**	**-**
2009			
Gross-settled forward foreign exchange contracts			
- Receipts	3,789,510	367,391	3,439
- Payments	(3,730,427)	(359,079)	(3,206)
Net-settled HSFO forward contracts			
- Receipts	9,292	160	37
- Payments	(415)	-	-
Company			
2010			
Gross-settled forward foreign exchange contracts			
- Receipts	**2,593,056**	**781,779**	**171,831**
- Payments	**(2,546,137)**	**(773,457)**	**(172,359)**
2009			
Gross-settled forward foreign exchange contracts			
- Receipts	3,737,912	353,197	1,448
- Payments	(3,679,578)	(344,527)	(1,469)

34. Financial risk management (continued)

Capital Risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The Group's current strategy remains unchanged from 2009. The Group and the Company are in compliance with externally imposed capital requirements for the financial year ended 31 December 2010.

Management monitors capital based on the Group net cash/(gearing). The Group net cash/(gearing) is calculated as net cash/(borrowings) divided by total capital. Net cash/(borrowings) are calculated as bank balances, deposits & cash (Note 16) less total term loans (Note 19) plus bank overdrafts (Note 20). Total capital refers to capital employed under equity.

	Group	
	2010 $'000	2009 $'000
Net cash	**177,522**	1,176,592
Total capital	**9,723,883**	8,712,573
Net cash ratio	**0.02x**	0.14x

Fair Value of Financial Instruments

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents the assets and liabilities measured at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2010				
Assets				
Derivative financial instruments	**-**	**106,488**	**-**	**106,488**
Investments				
- Available-for-sale investments	**126,343**	**-**	**173,553**	**299,896**
Short term investments				
- Available-for-sale investments	**412,438**	**52,323**	**1,223**	**465,984**
- Investments held for trading	**70,888**	**-**	**-**	**70,888**
	609,669	**158,811**	**174,776**	**943,256**
Liabilities				
Derivative financial instruments	**-**	**51,720**	**-**	**51,720**

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2009				
Assets				
Derivative financial instruments	-	117,906	-	117,906
Investments				
- Available-for-sale investments	49,992	5,396	96,658	152,046
Short term investments				
- Available-for-sale investments	322,108	46,393	27,680	396,181
- Investments held for trading	60,334	-	-	60,334
	432,434	169,695	124,338	726,467
Liabilities				
Derivative financial instruments	-	57,864	-	57,864
Company				
2010				
Assets				
Derivative financial instruments	**-**	**81,228**	**-**	**81,228**
Liabilities				
Derivative financial instruments	**-**	**26,950**	**-**	**26,950**
2009				
Assets				
Derivative financial instruments	-	102,502	-	102,502
Liabilities				
Derivative financial instruments	-	37,171	-	37,171

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	2010 $'000	2009 $'000
At 1 January	**124,338**	105,588
Purchases	**77,123**	23,730
Sales	**(57,124)**	(596)
Fair value gain recognised in profit and loss account	**417**	-
Fair value loss recognised in equity	**(3,795)**	(2,938)
Subsidiary acquired	**185**	-
Transfer from Level 2	**6,683**	-
Reclassification	**28,347**	1,343
Exchange differences	**(1,398)**	(2,789)
At 31 December	**174,776**	124,338

During the financial year ended 31 December 2010, the Group transferred investments from Level 2 to Level 3 of the fair value hierarchy as the inputs to the valuation models for investments ceased to be observable.

35. Segment analysis

	Offshore & Marine $'000	Infrastructure $'000	Property $'000	Investments $'000	Elimination $'000	Total $'000
2010						
Revenue						
External sales	5,577,010	2,510,113	1,684,786	11,013	-	9,782,922
Inter-segment sales	-	111,958	2,537	63,541	(178,036)	-
Total	5,577,010	2,622,071	1,687,323	74,554	(178,036)	9,782,922
Segment Results						
Operating profit	1,119,047	75,027	553,157	12,316	(3,053)	1,756,494
Investment income	2,441	-	5,425	80	-	7,946
Interest income	74,888	4,037	36,765	86,339	(90,679)	111,350
Interest expenses	(4,787)	(23,306)	(71,860)	(58,480)	93,732	(64,701)
Share of results of associated companies	50,061	37,197	101,995	25,996	-	215,249
Profit before tax & exceptional items	1,241,650	92,955	625,482	66,251	-	2,026,338
Exceptional items	(31,743)	(136,932)	844,176	(14,400)	-	661,101
Profit before taxation	1,209,907	(43,977)	1,469,658	51,851	-	2,687,439
Taxation	(242,119)	(26,978)	(301,035)	(10,500)	-	(580,632)
Profit for the year	967,788	(70,955)	1,168,623	41,351	-	2,106,807
Attributable to:						
Shareholders of Company						
Profit before exceptional items	987,202	56,627	325,957	49,266	-	1,419,052
Exceptional items	(24,762)	(135,998)	379,092	(14,400)	-	203,932
	962,440	(79,371)	705,049	34,866	-	1,622,984
Non-controlling interests	5,348	8,416	463,574	6,485	-	483,823
	967,788	(70,955)	1,168,623	41,351	-	2,106,807
Other information						
Segment assets	6,211,833	2,886,615	12,532,848	5,998,926	(6,648,748)	20,981,474
Segment liabilities	4,350,655	1,974,392	7,133,845	4,447,447	(6,648,748)	11,257,591
Net assets	1,861,178	912,223	5,399,003	1,551,479	-	9,723,883
Investment in associated companies	171,501	499,445	2,704,497	231,280	-	3,606,723
Additions to non-current assets	244,138	421,006	887,326	13,299	-	1,565,769
Depreciation and amortisation	133,189	44,824	10,194	426	-	188,633

Geographical information

	Singapore $'000	Far East & other ASEAN countries $'000	America $'000	Other countries $'000	Elimination $'000	Total $'000
External sales	7,088,728	1,045,200	1,117,208	531,786	-	9,782,922
Non-current assets	7,155,063	1,300,191	161,592	548,242	-	9,165,088

Information about a major customer

Revenue of $1,308,330,000 is derived from a single external customer and is attributable to Offshore & Marine division for the financial year ended 31 December 2010.

	Offshore & Marine $'000	Infrastructure $'000	Property $'000	Investments $'000	Elimination $'000	Total $'000
2009						
Revenue						
External sales	8,273,390	2,426,513	1,508,247	38,971	-	12,247,121
Inter-segment sales	-	170,229	2,591	57,921	(230,741)	-
Total	8,273,390	2,596,742	1,510,838	96,892	(230,741)	12,247,121
Segment Results						
Operating profit	1,003,907	126,474	371,181	(1,088)	4,317	1,504,791
Investment income	1,866	-	3,133	102	-	5,101
Interest income	33,195	7,833	44,581	126,416	(138,349)	73,676
Interest expenses	(3,691)	(12,688)	(84,947)	(82,381)	134,032	(49,675)
Share of results of associated companies	45,546	28,526	142,028	105,583	-	321,683
Profit before tax & exceptional items	1,080,823	150,145	475,976	148,632	-	1,855,576
Exceptional items	(22,565)	(169,330)	(30,546)	544,571	-	322,130
Profit before taxation	1,058,258	(19,185)	445,430	693,203	-	2,177,706
Taxation	(234,065)	(16,439)	(74,655)	(22,716)	-	(347,875)
Profit for the year	824,193	(35,624)	370,775	670,487	-	1,829,831
Attributable to:						
Shareholders of Company						
Profit before exceptional items	810,033	125,692	209,445	119,441	-	1,264,611
Exceptional items	(22,550)	(167,396)	4,270	546,182	-	360,506
	787,483	(41,704)	213,715	665,623	-	1,625,117
Non-controlling interests	36,710	6,080	157,060	4,864	-	204,714
	824,193	(35,624)	370,775	670,487	-	1,829,831
Other information						
Segment assets	5,807,974	2,887,191	9,983,553	4,907,752	(6,279,548)	17,306,922
Segment liabilities	4,250,761	2,017,490	5,503,550	3,102,096	(6,279,548)	8,594,349
Net assets	1,557,213	869,701	4,480,003	1,805,656	-	8,712,573
Investment in associated companies	108,940	182,213	2,199,896	232,120	-	2,723,169
Additions to non-current assets	239,822	69,108	404,500	467	-	713,897
Depreciation and amortisation	125,274	34,800	13,718	521	-	174,313

Geographical information

	Singapore $'000	Far East & other ASEAN countries $'000	America $'000	Other countries $'000	Elimination $'000	Total $'000
External sales	8,489,626	1,494,261	1,713,466	549,768	-	12,247,121
Non-current assets	6,708,057	1,068,854	170,310	74,485	-	8,021,706

Information about a major customer

No single external customer accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2009.

35. Segment analysis (continued)

Note:
(a) The Group is organised into business units based on their products and services, and has four reportable operating segments: Offshore & Marine, Infrastructure, Property and Investments. The Investments division consists mainly of the Group's investments in k1 Ventures Ltd and M1 Limited.
(b) Pricing of inter-segment goods and services is at fair market value.

36. New accounting standards and recommended accounting practice

(a) At the date of authorisation of the financial statements, the following FRS, INT FRS and amendments to FRS that are relevant to the Group and the Company were issued but not yet effective:

FRS 24 (Revised)	Related Party Disclosures
Amendments to FRS 32	Financial Instruments: Presentation – Amendments relating to Classification of Rights Issues
Amendments to INT FRS 114	Prepayments of a Minimum Funding Requirement
INT FRS 115	Agreements for Construction of Real Estate
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments

The Directors anticipate that the adoption of the above FRS, INT FRS and amendments to FRS in future periods is not expected to have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

INT FRS 115 Agreements for Construction of Real Estate
INT FRS 115 is effective for annual periods beginning on or after 1 January 2011. The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of FRS 11 Construction Contracts or FRS 18 Revenue and when revenue from the construction of real estate should be recognised. In the period of initial adoption of the Interpretation, the method of recognising revenue among real estate developers for sales of units before construction is complete, may change.

The Interpretation is issued with an Accompanying Note that explains the application of the Interpretation to property development sales in Singapore by considering the Singapore legal framework.

When the Group applies INT FRS 115 in 2011 retrospectively, the 2010 comparatives for revenue and net profit are expected to decrease by approximately $38,805,000 and $7,933,000 respectively. The properties held for sale as at 31 December 2010 is also expected to decrease by approximately $192,237,000.

(b) RAP 11 Pre-Completion Contracts for the Sale of Development Property
RAP 11 is still applicable in Singapore as INT FRS 115 shall be effective from 1 January 2011 only. RAP 11 was issued by the Institute of Certified Public Accountants of Singapore in October 2005. In the RAP, it is mentioned that a property developer's sale and purchase agreement is not a construction contract as defined in FRS 11 Construction Contracts and the percentage of completion ("POC") method of recognising revenue, which is allowed under FRS 11 for construction contracts, may not be applicable for property developers. The relevant standard for revenue recognition by property developers is FRS 18 Revenue, which addresses revenue recognition generally for all types of entities. However, there is no clear conclusion in FRS 18 whether the POC method or the completion of construction ("COC") method is more appropriate for property developers.

The Group uses the POC method for recognising revenue from partly completed residential projects which are held for sale. Had the COC method been adopted, the impact on the financial statements of the Group will be as follows:

	2010 $'000	2009 $'000
Decrease in opening revenue reserve	**(265,157)**	(186,558)
Decrease in revenue recognised for the year	**(786,666)**	(82,514)
Decrease in profit for the year	**(99,194)**	(78,599)
Increase in carrying value of property held for sale		
Balance as at 1 January	**390,350**	28,686
Balance as at 31 December	**894,351**	390,350
Increase/(decrease) in non-controlling interests		
Balance as at 1 January	**(171,214)**	(195,582)
Share of profit for the year	**18,957**	24,368

37. Significant subsidiaries and associated companies

Information relating to significant subsidiaries consolidated in these financial statements and significant associated companies whose results are equity accounted for is given in the following pages.

Significant Subsidiaries and Associated Companies

	Gross Interest 2010 %	Effective Equity Interest 2010 %	2009 %	Cost of Investment 2010 $'000	2009 $'000	Country of Incorporation /Operation	Principal Activities
OFFSHORE & MARINE							
Offshore							
Subsidiaries							
Keppel Offshore and Marine Ltd	100	100	100	801,720	801,720	Singapore	Investment holding
Keppel FELS Ltd	100	100	100	#	#	Singapore	Construction, fabrication and repair of offshore production facilities and drilling rigs, power barges, specialised vessels and other offshore production facilities
AmFELS Offshore Ltd(4)	100	100	100	#	#	BVI/Mexico	Holding of long-term investments
AzerFELS Pte Ltd	60	60	60	#	#	Singapore	Holding of long-term investments
Benniway Pte Ltd	88	88	88	#	#	Singapore	Holding of long-term investments
BrasFELS SA(1a)	100	100	100	#	#	Brazil	Engineering, construction and fabrication of platforms for the oil and gas sector, shipyard works and other general business activities
Caspian Shipyard Company Ltd(1a)	75	45	45	#	#	Azerbaijan	Construction and repair of offshore drilling rigs
Deepwater Technology Group Pte Ltd	100	100	100	#	#	Singapore	Research and experimental development on deepwater engineering
FELS Offshore Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
Fornost Ltd(1a)	100	100	100	#	#	HK	Holding of long-term investments and provision of procurement services
FSTP Brasil Ltda(1a)	75	75	75	#	#	Brazil	Procurement of equipment and materials for the construction of offshore production facilities
FSTP Pte Ltd	75	75	75	#	#	Singapore	Project management, engineering and procurement
Hygrove Investments Ltd(4)	100	100	100	#	#	BVI/HK	Investment holding
Keppel AmFELS, LLC(3) (formerly known as Keppel AmFELS Inc)	100	100	100	#	#	USA	Construction and repair of offshore drilling rigs and offshore production facilities
Keppel FELS Baltech Ltd(3)	100	100	100	#	#	Bulgaria	Marine and offshore engineering services
Keppel FELS Brasil SA(1a)	100	100	100	#	#	Brazil	Engineering, construction and fabrication of platforms for the oil and gas industry
Keppel FELS Offshore & Engineering Services Mumbai Pte Ltd(3)	100	100	100	#	#	India	Marine and offshore engineering services

	Gross Interest 2010 %	Effective Equity Interest 2010 %	2009 %	Cost of Investment 2010 $'000	2009 $'000	Country of Incorporation /Operation	Principal Activities
Keppel Norway A/S(1a)	100	100	100	#	#	Norway	Construction and repair of offshore drilling rigs and offshore production facilities
Keppel Offshore & Marine USA Inc(3)	100	100	100	#	#	USA	Offshore and marine-related services
Keppel Offshore & Marine Technology Centre Pte Ltd	100	100	100	#	#	Singapore	Research & development on marine and offshore engineering
Keppel Verolme BV(1a)	100	100	100	#	#	Netherlands	Construction and repair of offshore drilling rigs and shiprepairs
KV Enterprises BV(1a)	100	100	100	#	#	Netherlands	Holding of long-term investments
Marine & Offshore Protection & Preservation BV(1a)	100	100	100	#	#	Netherlands	Chamber blasting services and painting and coating works
Offshore Technology Development Pte Ltd	100	100	100	#	#	Singapore	Production of jacking systems
Prismatic Services Ltd(4)	100	100	100	#	#	BVI/Brazil	Project procurement
Regency Steel Japan Ltd(1a)	51	51	51	#	#	Japan	Sourcing, fabricating and supply of specialised steel components
Seafox 5 Ltd(n)	75	75	-	#	#	Isle of Man	Owning and leasing of offshore rigs and equipment
Topaz Atlantic Unlimited(n)(4)	100	100	-	#	-	BVI	Holding of long-term investments
Wideluck Enterprises Ltd (4)	100	100	100	#	#	BVI	Holding of long-term investments
Willalpha Ltd(4)	100	100	100	#	#	BVI/Vietnam	Holding of long-term investments
Associated Companies							
Asian Lift Pte Ltd	50	50	50	#	#	Singapore	Provision of heavy-lift equipment and related services
Keppel Kazakhstan LLP(3)	50	50	50	#	#	Kazakhstan	Construction and repair of offshore drilling units and structures and specialised vessels
Marine							
Subsidiaries							
Keppel Shipyard Ltd	100	100	100	#	#	Singapore	Shiprepairing, shipbuilding and conversions
Keppel Philippines Marine Inc(1a)	96	96	96	#	#	Philippines	Shipbuilding and repairing
Alpine Engineering Services Pte Ltd	100	100	100	#	#	Singapore	Marine contracting
Blastech Abrasives Pte Ltd	100	100	100	#	#	Singapore	Marine contracting
Keppel Nantong Shipyard Company Limited(3)	100	100	100	#	#	China	Engineering and construction of specialised vessels

Significant Subsidiaries and Associated Companies

	Gross Interest 2010 %	Effective Equity Interest 2010 %	2009 %	Cost of Investment 2010 $'000	2009 $'000	Country of Incorporation /Operation	Principal Activities
Keppel Singmarine Pte Ltd	100	100	100	#	#	Singapore	Shipbuilding and repairing
Keppel Singmarine Brasil Ltda(n)(1a)	100	100	-	#	#	Brazil	Shipbuilding
Keppel Smit Towage Pte Ltd	51	51	51	#	#	Singapore	Provision of towage services
KS Investments Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
KSI Production Pte Ltd(4)	100	100	100	#	#	BVI/Norway	Holding of long-term investments
Maju Maritime Pte Ltd	51	51	51	#	#	Singapore	Provision of towage services
Marine Technology Development Pte Ltd	100	100	100	#	#	Singapore	Provision of technical consultancy for ship design and engineering works
Subic Shipyard & Engineering Inc(1a)	87+	84+	44+	3,020	3,020	Philippines	Shipbuilding and repairing
Associated Companies							
Arab Heavy Industries Public Joint Stock Company(3)	33	33	33	#	#	UAE	Shipbuilding and repairing
Consort Land Inc(1a)	49+	39+	32+	55	54	Philippines	Land holding company and power distributor
Kejora Resources Sdn Bhd(3)	49	25	25	#	#	Malaysia	Chartering tugs and other marine services
Nakilat-Keppel Offshore & Marine Ltd(3)	20	20	20	#	#	Qatar	Shiprepairing
INFRASTRUCTURE							
Power Generation							
Subsidiaries							
Keppel Energy Pte Ltd	100	100	100	330,914	330,914	Singapore	Investment holding
Dawley Developments Ltd(4)	100	100	100	#	#	BVI/HK	Holding of long-term investments
Keppel Electric Pte Ltd	100	100	100	#	#	Singapore	Electricity, energy and power supply, investment holding and general wholesale trade
Keppel Gas Pte Ltd	100	100	100	#	#	Singapore	Purchase and sale of gaseous fuels
Keppel Merlimau Cogen Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments, generation and supply of electricity
New Energy Industrial Ltd(4)	100	100	100	#	#	BVI/Ecuador	Holding of long-term investments
Okachi Investments Ltd(4)	100	100	100	#	#	BVI/HK	Holding of long-term investments
Termoguayas Generation SA(1a)	100	100	100	#	#	Ecuador	Commercial power generation

	Gross Interest 2010 %	Effective Equity Interest 2010 %	2009 %	Cost of Investment 2010 $'000	2009 $'000	Country of Incorporation /Operation	Principal Activities
Environmental Engineering							
Subsidiaries							
Keppel Integrated Engineering Ltd	100	100	100	540,290	272,554	Singapore	Investment holding
Keppel Seghers Engineering Singapore Pte Ltd	100	100	100	#	#	Singapore	Fabrication of steel structures, mechanical and electrical works and engineering services specialising in treatment plants
Brixworth Group Ltd(4)	100	100	100	#	#	BVI/Qatar	Trading in industrial goods
FELS Cranes Pte Ltd	100	100	100	#	#	Singapore	Fabrication of heavy cranes and provision of marine-related equipment
Keppel DHCS Pte Ltd	100	100	100	#	#	Singapore	Development of district cooling system for the purpose of air cooling and other utility services
Keppel FMO Pte Ltd	100	100	100	#	#	Singapore	Construction, project and facilities management and operational maintenance of industrial and commercial complexes
Keppel Prince Engineering Pty Ltd(2a)	100	100	100	#	#	Australia	Metal fabrication
Keppel Sea Scan Pte Ltd	100	100	100	#	#	Singapore	Trading and installation of hardware, industrial, marine and building-related products, leasing and provision of services
Keppel Seghers Belgium NV(1a)	100	100	100	#	#	Belgium	Provider of services and solutions to the environmental industry related to solid waste, waste-water and sludge management
Keppel Seghers UK Ltd(1a)	100	100	100	#	#	United Kingdom	Design, supply and installation of Flue Gas treatment equipment
Keppel Seghers Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Seghers Hong Kong Ltd(1a)	100	100	100	#	#	HK	Engineering contracting and investment holding
Associated Companies							
GE Keppel Energy Services Pte Ltd(2)	50	50	50	#	#	Singapore	Precision engineering, repair, services and agencies
K-Green Trust	49	49	100	#	#	Singapore	Infrastructure business trust
Tianjin Eco-City Energy Investment & Construction Co Ltd(3)	20	20	20	#	#	China	Investment and implementation of energy and utilities related infrastructure
Tianjin Eco-City Environmental Protection Co Ltd(3)	20	20	20	#	#	China	Investment, construction and operation of infrastructure for environmental protection

Significant Subsidiaries and Associated Companies

	Gross Interest 2010 %	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Cost of Investment 2010 $'000	Cost of Investment 2009 $'000	Country of Incorporation /Operation	Principal Activities
Network & Logistics							
Subsidiaries							
Keppel Telecommunications & Transportation Ltd(2)	80	80	80	397,647	397,647	Singapore	Investment, management and holding company
Keppel Data Centres Pte Ltd(2) (formerly known as DataOne Asia Pte Ltd)	100	80	80	#	#	Singapore	Investment holding
ECHO Broadband Gmbh(2a)	100	80	80	#	#	Germany	Broadband network services
Keppel Communications Pte Ltd(2)	100	80	80	#	#	Singapore	Trading and provision of communications systems and accessories
Keppel Logistics (Foshan) Ltd(3)	70	56	56	#	#	China	Shipping operations, warehousing and distribution
Keppel Logistics Pte Ltd(2)	100	80	80	#	#	Singapore	Warehousing and distribution
Keppel Telecoms Pte Ltd(2)	100	80	80	#	#	Singapore	Telecommunications services and investment holding
Transware Distribution Services Pte Ltd(2)	50	40	40	#	#	Singapore	Warehousing and distribution
Associated Companies							
Advanced Research Group Co Ltd(2a)	45	36	36	#	#	Thailand	IT publication and business information
Asia Airfreight Terminal Company Ltd(3)	10	8	8	#	#	HK	Operation of air cargo handling terminal
Citadel 100 Datacenters Ltd(3)	50	40	40	#	#	Ireland	Provision of data centre facilities and co-location services
Computer Generated Solutions Inc(3)	21	17	17	#	#	USA	IT consulting and outsourcing provider
Radiance Communications Pte Ltd(2)	50	40	40	#	#	Singapore	Distribution and maintenance of communications equipment and systems
SVOA Public Company Ltd(2a)	32	26	26	#	#	Thailand	Distribution of IT products and telecommunications services
Trisilco Folec Sdn Bhd(2a)	30	24	24	#	#	Malaysia	Trading and provision of communications systems and accessories
Trisilco Radiance Communications Sdn Bhd(2a)	40	32	32	#	#	Malaysia	Sales, installation and maintenance of telecommunications systems, equipment and accessories
Wuhu Annto Logistics Company Ltd(3)	35	28	28	#	#	China	Transportation, warehousing and distribution

	Gross Interest 2010 %	Effective Equity Interest 2010 %	2009 %	Cost of Investment 2010 $'000	2009 $'000	Country of Incorporation /Operation	Principal Activities
PROPERTY							
Subsidiaries							
Keppel Land Ltd(2)	52	52	52	1,390,051	1,330,220	Singapore	Holding, management and investment company
K-REIT Asia(2)	76	54	54	#	#	Singapore	Real estate investment trust
Keppel Bay Pte Ltd	100+	86+	86+	626	626	Singapore	Property development
Keppel Philippines Properties Inc(2a)	79+	55+	55+	493	493	Philippines	Investment holding
Acresvale Investment Pte Ltd(2)	100	52	52	#	#	Singapore	Property development and investment
Aintree Assets Ltd(4)	100	52	52	#	#	BVI/Asia	Investment holding
Alpha Investment Partners Ltd(2)	100	52	52	#	#	Singapore	Fund management
Avenue Park Development(2)	52	27	27	#	#	Singapore	Property development
Bayfront Development Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Beijing Kingsley Property Development Co Ltd(3)	100	52	52	#	#	China	Property development
Bintan Bay Resort Pte Ltd(2)	90	47	47	#	#	Singapore	Investment holding
Boulevard Development Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Changzhou Fushi Housing Development Pte Ltd(3)	100	52	52	#	#	China	Property development
Chengdu Hillwest Development Co Ltd(3)	100	52	52	#	#	China	Property development
Da Di Investment Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Devonshire Development Pte Ltd(2)	60	31	31	#	#	Singapore	Property development
DL Properties Ltd(2)	65	34	34	#	#	Singapore	Property investment
Double Peak Holdings Ltd(4)	100	52	52	#	#	BVI/ Singapore	Investment holding
Dovesdale Development Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Estella JV Co Ltd(2a)	55	29	29	#	#	Vietnam	Property development
Evergro Properties Ltd(2)	100	52	52	#	#	Singapore	Property investment and development
Hillwest Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
International Centre(1a)	79	58	53	#	#	Vietnam	Property investment
Jiangyin Evergro Properties Co Ltd(3)	99	52	43	#	#	China	Property development
KeplandeHub Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Keppel Al Numu Development Ltd(2a)	51	27	27	#	#	Singapore/ Saudi Arabia	Property development

Significant Subsidiaries and Associated Companies

	Gross Interest 2010 %	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Cost of Investment 2010 $'000	Cost of Investment 2009 $'000	Country of Incorporation /Operation	Principal Activities
Keppel Bay Property Development (Shenyang) Co Ltd(n)(2a)	80	42	-	#	-	China	Property development
Keppel China Township Development Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Keppel Hong Da (Tianjin Eco-City) Property Development Co Ltd(3)	100	74	74	#	#	China	Property development
Keppel Land China Pte Limited	100	52	52	#	#	Singapore	Investment holding
Keppel Land (Mayfair) Pte Ltd(2)	100	52	52	#	#	Singapore	Property development and investment
Keppel Land (Saigon Centre) Ltd(3)	100	52	52	#	#	HK	Investment holding
Keppel Land (Tower D) Pte Ltd(2)	100	52	52	#	#	Singapore	Property development and investment
Keppel Land Financial Services Pte Ltd(2)	100	52	52	#	#	Singapore	Financial services
Keppel Land International Ltd(2)	100	52	52	#	#	Singapore	Property services
Keppel Land Properties Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Keppel Land Realty Pte Ltd(2)	100	52	52	#	#	Singapore	Property development and investment
Keppel Land Watco I Co Ltd(3)	68	35	35	#	#	Vietnam	Property investment and development
Keppel Puravankara Development Pvt Ltd(3)	51	27	27	#	#	India	Property development
Keppel Thai Properties Public Co Ltd(2a)	45	23	23	#	#	Thailand	Property development and investment
Keppel Tianjin Eco-City Investment Pte Ltd(2)	100	74	74	41,010	-	Singapore	Investment holding
Keppel Township Development (Shenyang) Co Ltd(3)	100	52	52	#	#	China	Property development
K-REIT Asia Investment Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
K-REIT Asia Management Ltd(2)	100	52	52	#	#	Singapore	Property fund management
K-REIT Asia Property Management Ltd(2)	100	52	52	#	#	Singapore	Property management services
Le Vision Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Mansfield Developments Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Merryfield Investment Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Ocean & Capital Properties Pte Ltd(2)	100	52	52	#	#	Singapore	Property and investment holding
Ocean Properties Pte Ltd(2)	88	46	40	#	#	Singapore	Property investment
OIL (Asia) Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding

	Gross Interest 2010 %	Effective Equity Interest 2010 %	2009 %	Cost of Investment 2010 $'000	2009 $'000	Country of Incorporation /Operation	Principal Activities
Pembury Properties Ltd(4)	100	52	52	#	#	BVI/ Singapore	Investment holding
PT Kepland Investama(1a)	100	52	52	#	#	Indonesia	Property investment and development
PT Mitra Sindo Makmur(1a)	51	27	27	#	#	Indonesia	Property development and investment
PT Mitra Sindo Sukses(1a)	51	27	27	#	#	Indonesia	Property development and investment
PT Ria Bintan(1a)	100	24	24	#	#	Indonesia	Golf course ownership and operation
PT Sentral Supel Perkasa(2a)	80	42	42	#	#	Indonesia	Property investment and development
PT Sentral Tanjungan Perkasa(2a)	80	42	42	#	#	Indonesia	Property development
PT Straits-CM Village(1a)	100	20	20	#	#	Indonesia	Hotel ownership and operations
Quang Ba Royal Park JV Co(3)	70	36	34	#	#	Vietnam	Property investment
Riviera Cove JV LLC(2a)	60	31	31	#	#	Vietnam	Property development
Riviera Point LLC(2)	75	39	39	#	#	Vietnam	Property investment
Saigon Centre Holdings Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Saigon Riviera JV Co Ltd(2a)	90	47	47	#	#	Vietnam	Property development
Saigon Sports City(2a)	100	47	47	#	#	Vietnam	Property development
Shanghai Floraville Land Co Ltd(3)	99	51	51	#	#	China	Property development
Shanghai Hongda Property Development Co Ltd(3)	100	52	52	#	#	China	Property development
Shanghai Merryfield Land Co Ltd(3)	99	51	51	#	#	China	Property development
Shanghai Minghong Property Co Ltd(3)	99	51	51	#	#	China	Property development
Shanghai Pasir Panjang Land Co Ltd(3)	99	51	51	#	#	China	Property development
Sherwood Development Pte Ltd(2)	100	52	52	#	#	Singapore	Property development
Spring City Resort Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Straits Greenfield Ltd(3)	100	52	52	#	#	Myanmar	Hotel ownership and operations
Straits Properties Ltd(2)	100	52	52	#	#	Singapore	Property development and investment
Straits Property Investments Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding
Success View Enterprises Ltd(4)	55	29	29	#	#	BVI/China	Investment holding
Sunsea Yacht Club (Zhongshan) Co Ltd(3)	100	52	52	#	#	China	Development of marina lifestyle cum residential properties
Tat Chuan Development (Pte) Ltd(2)	100	52	52	#	#	Singapore	Property development
Third Dragon Development Pte Ltd(2)	100	52	52	#	#	Singapore	Investment holding and marketing agent

Significant Subsidiaries and Associated Companies

	Gross Interest 2010 %	Effective Equity Interest 2010 %	2009 %	Cost of Investment 2010 $'000	2009 $'000	Country of Incorporation /Operation	Principal Activities
Tianjin Fushi Property Devt Co Ltd(3)	100	52	52	#	#	China	Property development
Tianjin Merryfield Property Development Co Ltd(3)	100	52	52	#	#	China	Property development
Wiseland Investment Myanmar Ltd(3)	100	52	52	#	#	Myanmar	Hotel ownership and operations
FELS Property Holdings Pte Ltd	100	100	100	70,214	70,214	Singapore	Investment holding
Brightway Property Pte Ltd	100	100	100	#	#	Singapore	Under liquidation
FELS SES International Pte Ltd	98+	90+	90+	48	7	Singapore	Investment holding
Petro Tower Ltd(3)	76	68	68	#	#	Vietnam	Property investment
Alpha Real Estate Securities Fund	98	98	98	#	#	Singapore	Investment holding
Esqin Pte Ltd	100	100	100	11,001	11,001	Singapore	Investment holding
Harbourfront One Pte Ltd	70	65	65	#	#	Singapore	Property development
Keppel Group Eco-City Investments Pte Ltd	100+	83+	83+	40,948	14,510	Singapore	Investment holding
Keppel (USA) Inc(4)	100	100	100	7,117	7,117	USA	Investment holding
Keppel Houston Group LLC(4)	100	86	86	#	#	USA	Property investment
Keppel Kunming Resort Ltd(3)	100	100	100	4	4	HK	Property investment
Keppel Point Pte Ltd	100+	86+	86+	122,785	122,785	Singapore	Property development and investment
Keppel Real Estate Investment Pte Ltd	100	100	100	50,000	50,000	Singapore	Investment holding
Singapore Tianjin Eco-City Investment Holdings Pte Ltd	90	75	83	#	#	Singapore	Investment holding
Substantial Enterprises Ltd(4)	100+	83+	83+	#	#	BVI/China	Investment holding
Associated Companies							
Asia No. 1 Property Fund Ltd(1a)	10	5	5	#	#	Guernsey	Property investment
Asia Real Estate Fund Management Ltd(2)	50	26	26	#	#	Singapore	Fund management
BFC Development Pte Ltd(2)	33	18	17	#	#	Singapore	Property development
Bugis City Holdings Pte Ltd(2)	-	-	16	-	#	Singapore	Liquidated
Central Boulevard Development Pte Ltd(2)	33	17	17	#	#	Singapore	Property development
CityOne Development (Wuxi) Co Ltd(3)	50	26	26	#	#	China	Property development
CityOne Township Development Pte Ltd(2)	50	26	26	#	#	Singapore	Investment holding
Dong Nai Waterfront City LLC(2a)	50	26	26	#	#	Vietnam	Property development
EM Services Pte Ltd(3)	25	13	13	#	#	Singapore	Property management

	Gross Interest 2010 %	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Cost of Investment 2010 $'000	Cost of Investment 2009 $'000	Country of Incorporation /Operation	Principal Activities
Harbourfront Three Pte Ltd(3)	39	33	33	#	#	Singapore	Property development
Harbourfront Two Pte Ltd(3)	39	33	33	#	#	Singapore	Property development
Keppel Magus Development Pvt Ltd(3)	38	20	20	#	#	India	Property development
Kingsdale Development Pte Ltd(2)	50	26	26	#	#	Singapore	Investment holding
One Raffles Quay Pte Ltd(2)	33	18	17	#	#	Singapore	Property development
Parksville Development Pte Ltd(2)	50	26	26	#	#	Singapore	Property investment
PT Pantai Indah Tateli(2a)	50	26	26	#	#	Indonesia	Property development
PT Pulomas Gemala Misori(3)	25	13	13	#	#	Indonesia	Property development
PT Purimas Straits Resort(3)	25	13	13	#	#	Indonesia	Development of holiday resort
PT Purosani Sri Persada(3)	20	10	10	#	#	Indonesia	Property investment
Renown Property Holdings (M) Sdn Bhd(2a)	40	21	21	#	#	Malaysia	Property investment
SAFE Enterprises Pte Ltd(3)	25	13	13	#	#	Singapore	Investment holding
Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd(1a)	50	37	42	#	#	China	Property development
INVESTMENTS							
Subsidiaries							
Keppel Philippines Holdings Inc(2a)	54+	54+	54+	-	-	Philippines	Investment holding
China Canton Investments Ltd	75	75	75	#	#	Singapore	Investment holding
Kep Holdings Ltd(4)	100+	100+	100+	10,480	10,480	BVI/HK	Investment company
Kephinance Investment (Mauritius) Pte Ltd(3)	100	100	100	#	#	Mauritius	Investment holding
Kephinance Investment Pte Ltd	100	100	100	90,000	90,000	Singapore	Investment holding
Kepital Management Ltd(3)	100	100	100	#	#	HK	Investment company
Kepmount Shipping (Pte) Ltd	-	-	100	-	4,000	Singapore	Strike-off
Keppel Investment Ltd	100	100	100	#	#	Singapore	Investment company
Keppel Oil & Gas Services Pte Ltd	-	-	100	-	116,609	Singapore	Strike-off
Kepventure Pte Ltd	100	100	100	48,526	30,650	Singapore	Investment holding
KI Investments (HK) Ltd(3)	100	100	100	#	#	HK	Investment company
KV Management Pte Ltd	100	100	100	250	250	Singapore	Fund management
Travelmore Pte Ltd	100	100	100	265	265	Singapore	Travel agency
The Vietnam Investment Fund (Singapore) Ltd	100	100	56	#	#	Singapore	Venture capital fund

Significant Subsidiaries and Associated Companies

	Gross Interest 2010 %	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Cost of Investment 2010 $'000	Cost of Investment 2009 $'000	Country of Incorporation /Operation	Principal Activities
Associated Companies							
k1 Ventures Ltd	36	36	36	#	#	Singapore	Investment holding
M1 Limited(2) (formerly known as MobileOne Ltd)	20	16	16	#	#	Singapore	Telecommunications services
Total							
Subsidiaries				3,957,409	3,662,066		
Associated Companies				55	3,074		

Notes:
(i) All the companies are audited by Deloitte & Touche LLP, Singapore except for the following:
(1a) Audited by overseas practice of Deloitte & Touche LLP;
(2) Audited by Ernst & Young LLP, Singapore;
(2a) Audited by overseas practice of Ernst & Young LLP;
(3) Audited by other firms of auditors (not significant associated companies and foreign subsidiaries); and
(4) Not required to be audited by law in the country of incorporation and companies disposed, liquidated and struck off.
In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies would not compromise the standard and effectiveness of the audit of the Company.
(ii) + The shareholdings of these companies are held jointly with other subsidiaries.
(iii) # The shareholdings of these companies are held by subsidiaries of Keppel Corporation Limited.
(iv) (n) These companies were incorporated during the financial year.
(v) The subsidiaries' place of business is the same as its country of incorporation, unless otherwise specified.
(vi) Abbreviations:
British Virgin Islands (BVI) United Arab Emirates (UAE)
Hong Kong (HK) United States of America (USA)
(vii) The Company has 220 significant subsidiaries and associated companies as at 31 December 2010. Subsidiaries and associated companies are considered as significant (a) in accordance to Rule 718 of The Singapore Exchange Securities Trading Limited – Listing Rules, or (b) by reference to the significance of their economic activities.

Interested Person Transactions

During the financial year, the following interested person transactions were entered into by the Group:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than $100,000)	
	2010 $'000	2009 $'000	**2010 $'000**	2009 $'000
Transaction for the Sale of Goods and Services				
Certis CISCO Security Pte Ltd	**-**	-	**2,400**	-
Gas Supply Pte Ltd	**-**	-	**19,300**	25,420
Mount Faber Leisure Group	**-**	-	**-**	142
SembCorp Industries Group	**-**	-	**-**	482
SembCorp Marine Group	**-**	-	**1,988**	2,179
Singapore Airlines Group	**-**	-	**14,500**	10,500
Singapore Airport Terminal Services Group	**-**	-	**21,000**	-
Transaction for the Purchase of Goods and Services				
Gas Supply Pte Ltd	**-**	-	**40,000**	28,500
Mapletree Investments Pte Ltd	**-**	-	**668**	570
SembCorp Industries Group	**-**	-	**-**	2,500
Divestment Transaction				
Singbridge International Singapore Pte Ltd	**10,582**	-	**-**	-
Total Interested Person Transactions	**10,582**	-	**99,856**	70,293

Save for the interested person transactions disclosed above, there were no other material contracts entered into by the Company and its subsidiaries involving the interests of its chief executive officer, directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Directors and Key Executives

Lee Boon Yang, 63
Chairman and Independent Director
B.V.Sc Hon (2A), University of Queensland, 1971.

Chairman of Keppel Corporation Limited with effect from 1 July 2009 (Director since 2009; date of last re-election: 23 April 2010). An independent and non-executive Director, he is a member of the Remuneration, Nominating and Board Safety Committees.

After graduation, he worked as a veterinarian and R&D Officer in the government's Primary Production Department from 1972 to 1981. In 1981, he joined the regional office of the US Feed Grains Council as Assistant Regional Director. A year later, he joined the Primary Industries Enterprise Pte Ltd as Senior Manager (Projects).

In 1984, he stood as a candidate in the Singapore General Elections. Since then he held the Jalan Besar parliamentary seat for six consecutive terms. In 1985, he was appointed Parliamentary Secretary to the Minister for the Environment and the Minister for Communications and Information. Subsequently he served as Parliamentary Secretary to the Minister for Finance and the Minister for Home Affairs.

In 1986, he was appointed Minister of State for Trade and Industry and Home Affairs. A year later he relinquished his portfolio as Minister of State for Trade and Industry and took on the appointment of Minister of State for National Development.
In 1988, he was appointed Senior Minister of State for National Development and Home Affairs. He was also appointed the Government Whip.

In November 1990, he was appointed Senior Minister of State for Defence. He was appointed Minister in the Prime Minister's Office in July 1991, concurrently holding the post of Second Minister for Defence.

In January 1992, he relinquished his post as Minister in the Prime Minister's Office and took on the appointments of Minister for Labour and Second Minister for Defence. In 1994, he was appointed Minister for Defence and Minister for Labour (The Labour Ministry was later reorganised into the Ministry of Manpower in 1998). He relinquished his Defence portfolio in August 1995.

In May 2003, he relinquished the Manpower portfolio to serve as Minister for Information, Communications and the Arts. He retired from political office on 31 Mar 2009. He continues to serve as MP for Jalan Besar GRC.

Lim Hock San, 64
Deputy Chairman and Independent Director
Bachelor of Accountancy, University of Singapore; Master of Science, MIT Sloan School of Management; Advanced Management Program, Harvard Business School; Fellow, Chartered Institute of Management Accountants (UK).

Deputy Chairman with effect from 1 July 2009 (Director since 1989; date of last re-election: 23 April 2010), he is an independent and non-executive Director. Mr Lim is also Chairman of the Audit Committee, Chairman of the Remuneration Committee and a member of the Board Risk Committee.

Mr Lim is the CEO of United Industrial Corporation Ltd and Singapore Land Ltd. He is also Chairman of Gallant Ventures Ltd, the National Council Against Problem Gambling and Ascendas Pte Ltd. Mr Lim also sits on the board of Indofood Agri Resources Ltd. Mr Lim previously served as the Director-General of Civil Aviation (1980-1992) and was past President of the Institute of Certified Public Accountants of Singapore.

Choo Chiau Beng, 63
Chief Executive Officer
Bachelor of Science (First Class Honours), University of Newcastle upon Tyne (awarded the Colombo Plan Scholarship to study Naval Architecture); Master of Science in Naval Architecture, University of Newcastle upon Tyne; attended the Programme for Management Development in Harvard Business School in 1982 and is a Member of the Wharton Society of Fellows, University of Pennsylvania.

Appointed as Chief Executive Officer on 1 January 2009 (Director since 1983; date of last re-election: 24 April 2009). Member of the Board Safety Committee.

Mr Choo is Chairman of Keppel Offshore & Marine Ltd, Keppel Land Limited and Keppel Energy Pte Ltd. He is also a director of k1 Ventures Limited.

Mr Choo started his career with Keppel Shipyard as a Ship Repair Management Trainee in 1971 and was appointed Executive Director of Singapore Slipway in 1973. In 1975, when Keppel set up its shipyard in the Philippines, he was posted there to assume the position of Executive Vice President and CEO of the company for a period of four years. He joined Keppel FELS (formerly known as Far East Levingston Shipbuilding Ltd) in 1980 as Assistant General Manager and was appointed as director to the board of the company. He was promoted to Deputy Managing Director in November 1981 and to Managing Director in March 1983. In 1994, he was appointed Deputy Chairman and in 1997, Chairman of the company.

He is a Board Member of Energy Studies Institute, a Board and Council Member of American Bureau of Shipping and Chairman of Det Norske Veritas South East Asia Committee. He is a member of the American Bureau of Shipping's Southeast Asia Regional Committee, Special Committee on Mobile Offshore Drilling Units and Singapore University of Technology and Design's Board of Trustee.

Mr Choo was conferred the Public Service Star Award (BBM) in August 2004, The Meritorious Service Award in 2008 and The NTUC Medal of Commendation (Gold) Award in May 2007.

He is Singapore's Non-Resident Ambassador to Brazil.

Sven Bang Ullring, 75
Independent Director
Master of Science, Swiss Federal Institute of Technology (ETH), Zurich.

Appointed to the Board in 2000 (date of last re-election: 23 April 2010). An independent and non-executive Director, he is Chairman of the Board Safety Committee and a member of the Nominating and Remuneration Committees.

Mr Ullring was President and Chairman of the Executive Board of Det Norske Veritas, Oslo from 1985-2000 and President and CEO of NORCONSULT, Oslo from 1981-1985. He worked for SKANSKA, Malmo, Sweden from 1962-1981 in Africa, Asia, Europe and the Americas; from 1972-1981 he was Director of the International Department.

Mr Ullring is Chairman of the Board of The Fridtjof Nansen Institute, Oslo, Norway, Chairman of the Maritime and Port Authority of Singapore's Third Maritime and Research and Development Advisory Panel and Chairman of the Board of Transparency International (Norway).

Tony Chew Leong-Chee, 64
Independent Director
Trained as an agronomist at Ko Plantations Berhad and Serdang Agricultural College in Malaysia from 1966 to 1970.

Appointed to the Board in 2002 (date of last re-election: 25 April 2008). An independent and non-executive Director, he is Chairman of the Nominating Committee and a member of the Audit Committee.

Mr Chew is Executive Chairman of Asia Resource Corporation and Chairman of KFC Vietnam. He also serves on the boards of Macondray Corporation, Air Alliance Pte Ltd, SBF Holdings Pte Ltd and SBF-PICO Events Pte Ltd, amongst others.

From 1966, he worked at Sri Gading Estates in Malaysia, Guthrie Trading in Singapore, and the Sampoerna Group of Indonesia. In 1975, he ventured out, becoming an entrepreneur, and built a group of companies in the region which became Asia Resource Corporation.

He plays an active role in promoting regional business, having served on the Trade Development Board, Economic Review Sub-Committee for Entrepreneurship and Internationalisation, Regional Business Forum, and the GPC Resource Panel for Finance, Trade and Industry. He is presently Chairman of Singapore Business Federation as well as Governing Board of Duke-NUS Graduate Medical School Singapore. He is also Governing Board member of the Economic Research Institute for ASEAN and East Asia, the Chinese Development Assistance Council Board of Trustees, Advisor to the Singapore Institute of International Affairs, and served on the Economic Strategies Committee. He is a Public Service Award recipient.

Oon Kum Loon, 60
Independent Director
Bachelor of Business Administration (Honours) from the University of Singapore.

Appointed to the Board in 2004 (date of last re-election: 23 April 2010). An independent and non-executive Director, she is Chairperson of the Board Risk Committee and a member of the Audit and Remuneration Committees.

Mrs Oon is a veteran banker with about 30 years of extensive experience, having held a number of management and executive positions with the DBS Group. She was the Chief Financial Officer (CFO) of the bank until September 2003.

Prior to serving as CFO, she was the Managing Director & Head of Group Risk Management, responsible for the development and implementation of a group-wide integrated risk management framework.

During her career with the bank, Mrs Oon was also involved with treasury and markets, corporate finance and credit management activities.

Her other directorships include China Resources Microelectronics Limited, Keppel Land Limited, Singapore Power Ltd and Aviva Ltd.

Tow Heng Tan, 55
Non-Independent and Non-Executive Director
Fellow of the Association of Chartered Certified Accountants as well as the Chartered Institute of Management Accountants.

Appointed to the Board in 2004 (date of last re-election: 27 April 2007). A non-executive Director and a member of the Nominating, Remuneration and Board Risk Committees.

Mr Tow has an extensive business career spanning the management consultancy, investment banking and stockbroking industries. He is currently the Chief Investment Officer of Temasek Holdings (Private) Ltd (Temasek Holdings).

Prior to joining Temasek Holdings in September 2002, he was Senior Director of Business Development at DBS Vickers Securities (Singapore) Pte Ltd. From 1993 to 2001, Mr Tow was Managing Director of Lum Chang Securities Pte Ltd.

Mr Tow also sits on the board of ComfortDelGro Corporation Limited, among others.

Alvin Yeo Khirn Hai, 49
Independent Director
LLB Honours, King's College London, University of London.

Appointed to the Board in 2009 (date of last re-election: 23 April 2010), Mr Alvin Yeo is an independent and non-executive Director. He is a member of the Audit and Board Risk Committees.

Mr Yeo is the Senior Partner of WongPartnership LLP. He was admitted to the English Bar in 1987 and to the Singapore Bar in 1988. In January 2000, Mr Yeo became the youngest lawyer to be appointed Senior Counsel.

Mr Yeo is a member of the Monetary Authority of Singapore advisory panel to advise the Minister on appeals under various financial services legislation, the Singapore International Arbitration Centre's Council of Advisors, and a Fellow of the Singapore Institute of Arbitrators. He is a Member of Parliament and Chairman of the Government Parliamentary Committee for Home Affairs and Law.

Mr Yeo is a director and Chairman of the Remuneration Committees of United Industrial Corporation Limited and Singapore Land Limited. He is also a director of Tuas Power Ltd, Tuas Power Generation Pte Ltd and Thomas Medical Centre Ltd. He was a former member of the Senate of the Academy of Law, the Council of the Law Society, and the board of the Civil Service College.

Tan Ek Kia, 63
Independent Director
BSc Mechanical Engineering (First Class Hons), Nottingham University, United Kingdom; Management Development Programme, International Institute for Management Development, Lusanne, Switzerland; Fellow of the Institute of Engineers, Malaysia; Professional Engineer, Board of Engineers, Malaysia; Chartered Engineer of Engineering Council, United Kingdom and Member of Institute of Mechanical Engineer, United Kingdom.

Appointed to the Board on 1 October 2010, Mr Tan is an independent and non-executive Director. He is also a member of the Nominating and Board Safety Committees.

Mr Tan is a seasoned executive in the oil and gas and petrochemicals business, with more than 30 years of experience in design, engineering and construction, project management, health, safety and environment, production, logistics, procurement and drilling operations management, business management and development, joint venture management and governance, and organisation change/transformation. He has worked in different countries and cultures.

Prior to his retirement as the Vice President (Ventures and Developments) of Shell Chemicals, Asia Pacific and Middle East region (based in Singapore) in September 2006, he held senior positions in Shell including Managing Director (Exploration and Production) of Shell Malaysia, Chairman of Shell North East Asia and Managing Director of Shell Nanhai Ltd (both based in Beijing, China).

His other directorships include PT Chandra Asli Petrochemical Tbk, SMRT Corporation Ltd, CitiSpring Infrastructure Management Pte Ltd,, Keppel Offshore & Marine Ltd and Dialog Systems (Asia) Pte Ltd. Mr Tan is also Chairman of City Gas Pte Ltd, a wholly owned subsidiary of CitySpring.

Danny Teoh, 56
Independent Director
Member of the Institute of Chartered Accountants in England & Wales.

Appointed to the Board on 1 October 2010, Mr Teoh is an independent and non-executive Director. He is also a member of the Audit and Remuneration Committees.

Mr Teoh spent 27 years in KPMG LLP, Singapore and over the years, held various senior positions including member of KPMG's International Board and Council, Head of Audit and Risk Advisory Services and Head of Financial Services. He was the Managing Partner of KPMG LLP, Singapore from 2005 until his retirement in September 2010.

His other directorships include DBS Group Holdings Ltd, DBS Bank Ltd, Changi Airport Group (Singapore) Pte Ltd and JTC. He chairs the Audit Committee and is a member of the Board Risk Management Committee of DBS Group Holdings Ltd.

Teo Soon Hoe, 61
Senior Executive Director and Group Finance Director
Bachelor of Business Administration, University of Singapore; Member of the Wharton Society of Fellows, University of Pennsylvania.

Appointed to the Board in 1985 (date of last re-election: 25 April 2008). A Senior Executive Director and the Group Finance Director.

Mr Teo is Chairman of Keppel Telecommunications & Transportation Ltd, M1 Limited and Keppel Philippines Holding Inc. In addition, he is a director of several other companies within the Keppel Group, including Keppel Land Limited, Keppel Offshore & Marine Ltd, Keppel Infrastructure Fund Management Pte Ltd (the Trustee-Manager of K-Green Trust), Keppel Energy Pte Ltd, Singapore Tianjin Eco-City Investment Holdings Pte. Ltd. and k1 Ventures Limited.

Mr Teo began his career with the Keppel Group in 1975 when he joined Keppel Shipyard. He rose through the ranks and was seconded to various subsidiaries of the Keppel Group before assuming the position of Group Finance Director in 1985.

Tong Chong Heong, 64
Executive Director
Graduate of Management Development Programme, Harvard Business School; Stanford - NUS Executive Programme, Diploma in Management Studies, The University of Chicago Graduate School of Business.

Appointed to the Board in 2009 (date of last re-election: 23 April 2010). He is an Executive Director.

Mr Tong is the Chief Executive Officer of Keppel Offshore & Marine, Keppel FELS and Keppel Shipyard. He is also Chairman of Keppel Integrated Engineering Limited.

He served for 28 years and was appointed Commander of the Volunteer Special Constabulary (VSC) from 1995-2001 and was honoured with Singapore Public Service Medal at the 1999 National Day Award. He was awarded the Medal of Commendation (Gold) Award at NTUC May Day 2010. He is appointed a member of Board of Institute of Technical Education (ITE) Governors with effect from 1 April 2010. He is a member of the NTUC-U Care Fund Board of Trustees and DNV Southeast Asia Offshore Committee. Mr Tong is also appointed a member of the Singapore Maritime Institute Governing Council on 1 January 2011.

He had served as Vice President/President of Association of Singapore Marine Industries (1993-1996). He is a member of Society of Naval Architects and Marine Engineers (USA), American Bureau of Shipping and Nippon Kaiji Kyokai (Class NK). He is a Fellow of The Royal Institute of Naval Architects (RINA) UK as well as Fellow of Institute of Marine Engineering, Science & Technology, member of Singapore Institute of Directors and Fellow of the Society of Project Managers.

Key Executives

In addition to the Chief Executive Officer (Mr Choo Chiau Beng), the Senior Executive Director (Mr Teo Soon Hoe) and the Executive Director (Mr Tong Chong Heong), the following are the key executive officers ("Key Executives") of the Company and its principal subsidiaries:

Kevin Wong Kingcheung, 55
Bachelor degree in Civil Engineering with First Class Honours, Imperial College, London; Masters degree, Massachusetts Institute of Technology, USA.

Mr Wong has been Group Chief Executive Officer/Managing Director, Keppel Land Limited since January 2000. Prior to this appointment, he was Executive Director since November 1993. He is Deputy Chairman and Director of K-REIT Asia Management Limited. He is a Board Member of the Building and Construction Authority (BCA), and Deputy Chairman of BCA Academy Advisory Panel. He is also a Director of Prudential Assurance Company Singapore (Pte) Limited.

Prior to joining Keppel Land Limited, Mr Wong had diverse experience in the real estate industry in the UK, USA and Singapore.

Ong Tiong Guan, 52
Bachelor of Engineering (First Class Honours), Monash University; and Doctor of Philosophy (Ph.D.) under Monash Graduate Scholarship, Monash University, Australia.

Dr Ong was appointed Keppel Energy Pte Ltd's Executive Director from November 1999. He became Managing Director of Keppel Energy Pte Ltd with effect from 1 May 2003. He is responsible for Keppel Corporation's power generation business, which develops, owns and operates power generation projects in Asia and in the Americas.

Dr Ong's career spans across the energy industry from engineering and contracting to investment and ownership of energy assets. He started with Jurong Engineering as a Design Engineer in 1987 and went on to hold senior management positions in Foster Wheeler Eastern, the Sembawang Group, and CMS Energy Asia. Dr Ong was Chairman of SEPEC (Singapore Electricity Pool Executive Committee) for the FY 2002/2003.

His directorships include Keppel Energy Pte Ltd, Keppel Electric Pte Ltd, Keppel Merlimau Cogen Pte Ltd, Keppel Gas Pte Ltd, Termoguayas Generation S.A., Keppel Integrated Engineering Ltd and Keppel DHCS Pte Ltd.

Michael Chia Hock Chye, 58
Colombo Plan scholar. Bachelor in Science Naval Architecture and Shipbuilding (First Class Honours), University of Newcastle-Upon-Tyne; Masters in Business Administration, National University of Singapore; Graduate Certificate in International Arbitration, National University of Singapore.

Mr Chia is the Director (Group Strategy & Development) of Keppel Corporation and the Managing Director (Offshore) of Keppel Offshore and Marine. Prior to this, he was the Executive Director of Keppel FELS Ltd since 2002 with overall responsibility of the business management of the company. Mr Chia is also Deputy Chairman of Keppel Integrated Engineering Limited. He has more than 25 years of management experience in corporate development, engineering, operations and commercial. He was elected as the President of the Association of Singapore Marines Industries from 2005 - 2009, a non-profit association formed in 1968 to promote the interests of the marine industry in Singapore.

Mr Chia is the Chairman of the Singapore Maritime Foundation, member of the Ngee Ann Polytechnic Council, Society of Naval Architects and Marine Engineers Singapore, and American Bureau of Shipping – USA and Society of Petroleum Engineers. He is a Fellow with the Singapore Institute of Arbitrators.

Michael Chia Hock Chye, 58 (continued)
His directorships include FELS Cranes Pte Ltd, Keppel FELS Brasil SA (Brazil), Keppel Amfels Inc (USA), Keppel FELS Ltd, Deepwater Technology Group Pte Ltd, Willalpha Ltd, Bintan Offshore Fabricators Pte Ltd, Keppel FELS Engineering Shenzhen Co Ltd, Offshore Innovative Solutions LLC, Keppel Shipyard Ltd, Keppel Offshore & Marine USA (Holdings) LLC., Keppel Offshore & Marine USA Inc, Keppel Integrated Engineering Ltd, GE Keppel Energy Services Pte Ltd, Keppel Ventus Pte Ltd, Keppel DHCS Pte Ltd, Keppel Seghers Belgium N.V., Keppel Seghers Holding B.V., Fels Tekform (Singapore) Pte Ltd, Kepfels Engineering Pte Ltd, Keppel Environment China Investments Pte Ltd, Keppel Environment Technology Centre Pte Ltd, Keppel FMO Pte Ltd, Keppel Infrastructure Fund Management Pte Ltd, Keppel Sea Scan Pte Ltd, Keppel Seghers Engineering Singapore Pte Ltd, Keppel Seghers Holdings Pte Ltd, Keppel Seghers Newater Development Co Pte Ltd, Senoko Waste-To-Energy Pte Ltd, Asia Environmental Development Ltd, Keppel Seghers UK Ltd, Keppel Seghers Iberica S.A., Auto Blast Steel Structures Co Ltd, Claridge House Ltd, Keppel Infrastructure (China) Ltd, Keppel Infrastructure Environment Development Inc, Keppel Seghers Engineering Ltd, Keppel Seghers Hong Kong Ltd, Keppel Seghers Investment Ltd, Wealth Come (Asia) Ltd, Keppel Seghers Netherlands B.V., Seghers Keppel Technology for Services & Machinery, Ruisbroek N.V., Seghers Keppel Technology for Services & Machinery, Zele N.V. and Keppel Energy Pte Ltd., Keppel Seghers Gmbh, Keppel Seghers Tuas Waste-to-Energy Plant Pte Ltd and Tianjin Eco-City Keppel New Energy Development Company Ltd.

Yeo Chien Sheng Nelson, 54
Bachelor of Science in Mechanical Engineering (First Class Honours), University of Birmingham; Master of Engineering in Energy Technology, Asian Institute of Technology, Thailand; Program for Management Development, Graduate School of Business Administration, Harvard University.

Mr Yeo is the Managing Director (Marine) of Keppel Offshore & Marine Ltd and the Managing Director of Keppel Shipyard Limited. He is Chairman of Keppel Philippines Marine Inc., Subic Shipyard and Engineering, Inc., Keppel Batangas Shipyard, Inc., Keppel Smit Towage Pte Ltd, Maju Maritime Pte Ltd and Keppel Singmarine Pte Ltd. He is also a director of Keppel FELS Ltd, Arab Heavy Industries P.J.S.C., KS Investments Pte Ltd, KSI Production Pte Ltd, Keppel Marine Agencies International, L.L.C., DPS Bristol (Holdings) Ltd., Keppel Energy Pte Ltd and PV Keez Pte Ltd and DYNA-MAC Holdings Pte Ltd.

Mr Yeo serves as a member of the Workplace Safety and Health (Marine Industries) Committee, Ministry of Manpower; AIDS Business Alliance, Ministry of Health; and is also a member of the American Bureau of Shipping; South East Asia Advisory/ Technical Committee in Lloyd's Register and the Singapore Technical Committee in Nippon Kaiji Kyokai. He has 29 years of working experience in the shipyard industry.

Wong Kok Seng, 60
BSc (Hons) Naval Architecture, University of Newcastle Upon Tyne; Graduate of Management Development Program, Harvard Business School.

Mr Wong is the Managing Director of Keppel FELS Limited (KFELS). Prior to this appointment, he was the Executive Director of KFELS. His career in Keppel FELS began in 1977 and has held appointments as Structural Engineer, Project Engineer, Project Manager, Quality Assurance Manager, Planning and Estimating Manager, Assistant General Manager (Commercial) and Executive Director (Operations).

Mr Wong also held appointments in Keppel Group as Project Director, Keppel Land, Executive Director, Keppel Singmarine and Senior General Manager (Group Procurement), Keppel Offshore and Marine.

In addition to his current appointment, he is also the Chairman of the Centre of Innovation, Marine and Offshore Technology (COI-MOT) Advisory Committee and a member of the Workplace Safety & Health (WSH) Council Marine Industries Committee.

Mr Wong is a Chartered Engineer and member of the Royal Institution of Naval Architects.

Hoe Eng Hock, 60
Bachelor of Science in Marine Engineering (First Class Honors, University of Newcastle-on-Tyne (Colombo Plan Scholarship); Program for Management Development, Graduate School of Business Management, Harvard University; Finance for Senior Executives, Asian Institute of Management, Manila, Philippines.

Mr Hoe Eng Hock started his professional career with Keppel Group upon his graduation. After serving various business units under Keppel Group both at Singapore and the Philippines, Mr Hoe has taken up the position of Executive Director of Keppel Singmarine Pte Ltd in the year 2005.

Mr Hoe is a fellow member of IMarest and the Institute of Chartered Engineers, UK. He is also a member of The American Bureau of Shipping, South East Asia Advisory/Technical Committee of Lloyd's Register and Bureau Veritas. In addition, he is a Member of Singapore Accreditation Council as well as council member and Vice President of ASMI (Association of Singapore Marine Industries).

Chow Yew Yuen, 55
Bachelor of Science degree in Mechanical Engineering with First Class Honours, University of Newcastle Upon Tyne.

Mr. Chow was appointed President of The Americas for Keppel Offshore and Marine in 2008. He has the responsibility of business management, covering the United States, Mexico and Brazil. Mr. Chow is also the Chairman of Keppel Amfels Inc, Deputy Chairman of Keppel Fels Brazil SA and President of Keppel Offshore and Marine USA Inc. He has been with the company for 29 years and was based in the United States for the last 17 years. His experience is quite diverse, covering areas of technical, production, operations, commercial and management across different geographical and cultural boundaries.

Mr. Chow also serves as Director on the Board of Floatel International Ltd., BrasFels SA (Brazil), Deepwater Marine Technology LLC, Floatec LLC, Keppel FELS Ltd., FSTP Pte. Ltd., AmFels Offshore Ltd., Joy Pride Investments (BVI), Kep Holdings Ltd., Kepital Management Ltd., Keppel FELS Invest (HK) Ltd., Keppel Marine Agencies, International LLC, KI Investments (HK) Ltd. Mr. Chow is also a member of The American Bureau of Shipping.

Ang Wee Gee, 49
Bachelor of Science summa cum laude, University of Denver, USA; Master of Business Administration, Imperial College, University of London, UK.

Mr Ang joined Keppel Land Group in 1991. He is currently Executive Vice Chairman of Keppel Land China Limited and Executive Director of Keppel Land International Limited. Keppel Land China, a wholly-owned subsidiary of Keppel Land Limited, owns and independently operates Keppel Land's businesses in China. Mr Ang was previously Executive Director & Chief Executive Officer, International of Keppel Land International Limited, responsible for the Group's overseas businesses. He has previously held positions in business & project development for Singapore and overseas markets; corporate planning & development in the Group's hospitality arm; was the Group's country head for Vietnam; and had also concurrently headed Sedona Hotels International.

Mr Ang is Chairman of Keppel Philippines Properties Inc and Keppel Thai Properties Public Co Ltd, property companies listed on the Philippine Stock Exchange and The Stock Exchange of Thailand respectively. He is a director of Sedona Hotels International Pte Ltd, the hotel management arm of Keppel Land Limited, and a number of other subsidiaries and associated companies in the Keppel Land Group.

Directors and Key Executives

Loh Chin Hua, 49
Bachelor Degree in Property Administration (Colombo Plan Scholarship), Auckland University; Presidential Key Executive MBA Program, Pepperdine University; Chartered Financial Analyst (CFA); Registered Valuer, New Zealand Institute of Valuers.

Mr Loh is the Managing Director of Alpha Investment Partners Limited (Alpha), the real estate fund management arm of the Keppel Land Group. He joined Alpha in September 2002, and has 24 years of experience in real estate investing and fund management.

He has served as an Executive Chairman in Asia Real Estate Fund Management Ltd. He has over 20 years of experience in real estate investing and funds management, spanning the U.S., Europe and Asia.

Prior to joining Alpha, Mr Loh was Managing Director at Prudential Investment Management Inc. ("Prudential"), and led its Asian real estate fund management business. During his eight years at Prudential, Mr Loh was responsible for overseeing all investment and asset management activities for the real estate funds managed out of Asia.

Mr Loh started his career in real estate investment with the Government of Singapore Investment Corporation (GIC). During the 10 years with GIC, he has held appointments in the San Francisco office and was head of the European real estate group in London before returning to head the Asian real estate group.

Mr Loh is a director of Keppel Offshore Marine Ltd, Keppel Land China Limited and various fund companies and subsidiaries.

Pang Hee Hon, 50
Bachelor of Science and Bachelor of Commerce, University of Birmingham; Masters in Public Administration, Harvard University.

Mr Pang is the Chief Executive Officer of Keppel T&T, appointed with effect from 4 January 2010. Previously the Deputy President (Operations) of ST Electronics (Info-Software Systems), Mr Pang oversaw business operations and international marketing. He was Chairman of the eGov Chapter in the Singapore IT Federation, which provides feedback on eGov policies and promotes internationalisation of local ICT companies.

Mr Pang was also Head of Joint Logistics Department, MINDEF, where he directed the implementation of enterprise wide IT solutions for supply chain management, electronic procurement and finance. He also held other principal command and staff appointments within the Singapore Armed Forces, including Assistant Chief of the General Staff (Logistics) G-4 Army, Assistant Chief of the General Staff (Plans) G-5 Army, Commander, Division Artillery Headquarters and Deputy Assistant Chief of the General Staff (Ops Planning) G-3 Army.

Tay Lim Heng, 47
Bachelor (Honours) in Engineering Science and Economics, University of Oxford; Masters in Public Administration, Harvard University; attended Advanced Management Programme, Harvard Business School.

BG(NS) Tay is the Chief Executive Officer of Keppel Integrated Engineering Ltd, appointed with effect from 1 January 2011. He is also Head, Sustainable Development, of Keppel Group.

Prior to joining Keppel Group, BG(NS) Tay was the Deputy Secretary (Development) in the Ministry of National Development (MND). Before that, he was the Chief Executive of the Maritime and Port Authority of Singapore. BG (NS) Tay has also held senior key appointments in the Singapore Armed Forces (SAF). He was absorbed into the Singapore Administrative Service in 1996 and served until May 2010 when he left public service. He was awarded the Public Administration Medal (Gold) (Military) in 2005. In 2010, he was elected to the Council of Singapore Water Association.

His directorships include Keppel Integrated Engineering Limited, Keppel Seghers Engineering Singapore Pte Ltd, Keppel Seghers Holdings Pte Ltd, GE Keppel Energy Services Pte Ltd, Keppel Seghers Belgium NV, Keppel Prince Engineering Pty Ltd, Keppel DHCS Pte Ltd, Keppel FMO Pte Ltd, Keppel Sea Scan Pte Ltd and Keppel Land China Limited.

Thomas Pang Thieng Hwi, 46
Bachelor of Arts (Honours) and Master of Arts, University of Cambridge; Investment Management Certificate from The CFA Society of the UK.

Mr Pang has been the Chief Executive Officer of Keppel Infrastructure Fund Management Pte Ltd (the Trustee-Manager of K-Green Trust ("KGT")) since 29 June 2010. He was seconded to the Trustee-Manager on a full-time basis but remains under the employment of Keppel Offshore & Marine Ltd. As the CEO of the Trustee-Manager, he is responsible for working with the board to determine the strategy for KGT. He works with the other members of the Trustee-Manager's management team to execute the stated strategy of the Trustee-Manager.

Mr Pang joined Keppel Offshore & Marine Ltd in 2002 as a Senior Manager (merger integration office) to assist in the merger integration of Keppel FELS Limited and Keppel Shipyard Limited. He was promoted to be the assistant General Manager (corporate development) in 2003 and subsequently the General Manager (corporate development) in 2007 to focus on the investment, mergers and acquisitions and strategic planning of Keppel Offshore & Marine Ltd. Before joining Keppel Offshore & Marine Ltd, Mr Pang was the vice president (finance and business development) of Arrakiis Pte Ltd, where he was involved in fund raising and business development. Prior to that, he was an investment manager with Vertex Management (UK) from 1998 to 2001. Mr Pang was also the Vice-President (Central USA) of the Singapore Tourism Board from 1995 to 1998, as well as assistant head at the Economic Development Board of Singapore, responsible for local enterprise development from 1988 to 1995.

Ng Hsueh Ling, 44
Bachelor of Science Degree in Real Estate from the National University of Singapore.

Ms Ng has been the Chief Executive Officer and Executive Director of K-REIT Asia Management Limited (the manager of K-REIT Asia) since 17 August 2009. She has 21 years of experience in the real estate industry.

Her experience encompasses the strategic sourcing, investment, asset and portfolio management and development of assets in key Asian cities, as well as extensive fund management experience in the areas of real estate fund product creation, deal origination, distribution and structuring of real-estate-based financial products.

Prior to this appointment, Ms Ng has held key positions with two other real estate companies, CapitaLand and Ascendas. Before her appointment as Chief Executive Officer and Executive Director in K-REIT Asia Management Limited, she was CEO (Korea & Japan) at Ascendas Pte Ltd.

Ms Ng is a Licensed Appraiser for land and buildings and is a Fellow of the Singapore Institute of Surveyors and Valuers.

Aziz Amirali Merchant, 46
Bachelor of Engineering (First Class Honours) in Naval Architecture & Ocean Engineering from University of Glasgow; Master of Science in Naval Architecture from University College London (UCL), University of London.

Mr Merchant is the Executive Director of Keppel FELS Ltd and Head of Deepwater Technology Group Ltd. Prior to this, he was the General Manager (Group Design & Engineering) for Keppel Offshore & Marine and the General Manager (Engineering) for Keppel FELS Ltd since 2002.

Mr Merchant is a director of Keppel Singmarine Ltd, Deepwater Technology Group Ltd, Keppel Offshore & Marine Technology Centre Pte Ltd, Floatec LLC, Keppel FELS Baltech Ltd, Keppel FELS Shenzhen and Keppel FELS Offshore and Engineering Services Mumbai Pvt Ltd.

Mr Merchant is the Member of the Ngee Ann Polytechnic Marine & Offshore Technology Advisory Committee and the American Bureau of Shipping South East Asia Technical Committee. He is a Fellow of the Society of Naval Architects and Marine Engineers Singapore.

Chor How Jat, 49
Bachelor of Science (Honours) in Naval architecture, University of Newcastle Upon Tyne. Master of Science in Marine Technology, University of Newcastle Upon Tyne.

Mr Chor is the Executive Director of Keppel Shipyard Limited, appointed with effect from 1 Jan 2011. Mr Chor began his professional career with Keppel Offshore and Marine in 1988 and held appointments as Shiprepair Manager, Deputy Shipyard Manager, Shipyard Manager and prior to his appointment as Executive Director of Keppel Shipyard Limited, he was General Manager (Operations) of Keppel FELS Limited.

Mr Chor serves as director on the Board of Keppel Shipyard Limited, Regency Steel Japan Limited, Asian Lift Pte Ltd, Keppel FELS Offshore and Engineering Services Mumbai Pvt. Ltd. and Atwin Offshore and Marine Pte. Ltd. Mr Chor is also a council member of Association of Singapore Marine Industries (ASMI).

Past Principal Directorships In The Last Five Years

Directors

Lee Boon Yang
Nil.

Lim Hock San
Civil Aviation Authority of Singapore; Singapore Changi Airport Enterprise Pte Ltd; Changi Airports International Pte. Ltd; Air Transport Training College Pte Ltd; Advanced Material Technologies Pte Ltd; United Test and Assembly Center Ltd; Interra Resources Limited; Ascendas Property Fund Trustee Private Limited.

Choo Chiau Beng
EDB Investments Pte Ltd; Keppel Norway AS; Maritime and Port Authority of Singapore; Singapore Maritime Foundation Limited; Singapore Petroleum Company; Singapore Refining Company; SMRT Corporation Ltd; SMRT Buses Ltd; SMRT Light Rail Pte Ltd; SMRT Road Holdings Ltd; SMRT Trains Ltd; Nanyang Business School Advisory Board.

Sven Bang Ullring
Chairman of the Supervisory Board of NORSK HYDRO ASA, Oslo and STOREBRAND ASA, Oslo.

Tony Chew Leong-Chee
Del Monte Pacific Ltd; Pontirep Investments Pte Ltd; Operational Development Pte Ltd; Juno Pacific Pte Ltd; ARC Corporate Services Pte Ltd; Eurolife Limited; Del Monte Pacific Resources Ltd; Dewey Ltd.

Oon Kum Loon
Schmidt Electronics Group Ltd; Gas Supply Pte Ltd; PSA International Pte Ltd; SP PowerGrid Ltd.

Tow Heng Tan
IE Singapore; Shangri-la Asia Limited.

Alvin Yeo Khirn Hai
Civil Service College; Asian Civilisations Museum; SMOE Pte Ltd.

Tan Ek Kia
Orchard Energy Pte Ltd; Power Seraya Ltd.

Danny Teoh
KPMG Advisory Services Pte. Ltd.; KPMG Corporate Finance Pte Ltd; KPMG Services Pte. Ltd.; SIFE Singapore; Viva Foundation For Children With Cancer; Singapore Dance Theatre.

Teo Soon Hoe
Keppel Shipyard Limited; Singapore Petroleum Company Limited; Travelmore Pte Ltd.

Tong Chong Heong
Nil.

Key Executives

Kevin Wong Kingcheung
Various subsidiaries and associated companies of Keppel Land Limited; Evergro Properties Limited; HDB Corporation Private Limited; Singapore Hotel Association; Singapore International Chamber of Commerce.

Dr Ong Tiong Guan
Corporacion Electrica Nicaraguense S.A..

Michael Chia Hock Chye
Nil.

Yeo Chien Sheng Nelson
Alpine Engineering Services Pte Ltd.; Blastech Abrasives Pte Ltd.; Keppel Tuas Pte Ltd.

Wong Kok Seng
Keppel Shipyard Limited; Keppel Nantong Shipyard Company Limited; FloaTEC L.L.C.; Offshore Technology Development Pte Ltd; Bintan Offshore Fabricators Pte Ltd; Seafox 5 Limited.

Hoe Eng Hock
Keppel Singmarine Pte Ltd; Keppel Nantong Shipyard Co., Ltd; Keppel Smit Towage Pte Ltd; Maju Maritime Pte Ltd; Marine Technology Development Pte Ltd; Prime Steelkit Pte Ltd; Keppel Cebu Shipyard Inc; Keppel Singmarine Philippines, Inc; Creek & Cove Properties Pte Ltd.

Chow Yew Yuen
Nil.

Ang Wee Gee
Various subsidiaries and associated companies of Keppel Land Limited; Evergro Properties Limited.

Loh Chin Hua
Pteris Global Limited (previously known as InterRoller Engineering Limited).

Pang Hee Hon
PM-B Pte Ltd; INFA Systems Limited; ST Electronics (e-Services) Pte Ltd.

Tay Lim Heng
Nil.

Thomas Pang Thieng Hwi
Nil.

Ng Hsueh Ling
Ascendas Korea Inc.; Ascendas Japan Pte Ltd; Ascendas Japan Inc.; Ascendas China Fund Management Pte. Ltd.; Ascendas China Commercial Fund Management Pte. Ltd.; Raffles Quay Asset Management Pte Ltd; Central Boulevard Development Pte Ltd.

Aziz Amirali Merchant
Nil.

Chor How Jat
Nil.

Major Properties

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Completed properties					
Ocean Properties Pte Ltd	46%	Ocean Towers Collyer Quay, Singapore	Land area: 3,552 sqm 27-storey office building	999 years leasehold	Commercial office building with rentable area of 21,129 sqm
DL Properties Ltd	34%	Equity Plaza Cecil Street, Singapore	Land area: 2,345 sqm 28-storey office building	99 years leasehold	Commercial office building with rentable area of 23,422 sqm
K-REIT Asia	54%	Prudential Tower Cecil Street & Church Street, Singapore	30-storey office building	99 years leasehold	Commercial office building with rentable area of 16,320 sqm (73.4% of the strata area)
		Bugis Junction Tower Victoria Street, Singapore	15-storey office building	99 years leasehold	Commercial office building with rentable area of 22,876 sqm
		275 George Street Brisbane, Australia	Land area: 7,074 sqm 30-storey Grade A commercial building	Freehold	Commercial office building with rentable area of 20,874 sqm (50% interest)
		77 King Street Sydney, Australia	Land area: 1,284 sqm 23-storey office and retail Grade A commercial building	Freehold	Commercial office building with rentable area of 13,752 sqm
Mansfield Development Pte Ltd	52%	Keppel Towers Hoe Chiang Rd, Singapore	Land area: 7,760 sqm 27-storey office building	Freehold	Commercial office building with rentable area of 32,585 sqm
		GE Tower Hoe Chiang Rd, Singapore	Land area: 1,367 sqm 13-storey office building	Freehold	Commercial office building with rentable area of 7,378 sqm
One Raffles Quay Pte Ltd	18%	One Raffles Quay Singapore	Land area: 11,367 sqm Two office towers	99 years leasehold	Commercial office building with rentable area of 124,058 sqm
HarbourFront One Pte Ltd	65%	Keppel Bay Tower HarbourFront Avenue, Singapore	Land area: 17,267 sqm 18-storey office building	99 years leasehold	Commercial office building with rentable area of 36,072 sqm
HarbourFront Two Pte Ltd	33%	HarbourFront Tower One and Two HarbourFront Place, Singapore	Land area: 10,923 sqm 18-storey and 16-storey office buildings	99 years leasehold	Commercial office building with rentable area of 48,668 sqm

Major Properties

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Keppel Bay Pte Ltd	86%	Caribbean at Keppel Bay Singapore	163 out of 168 units of corporate residences have been sold	99 years leasehold	A 969-unit luxurious waterfront condominium development
PT Straits-CM Village	20%	Club Med Ria Bintan Bintan, Indonesia	Land area: 200,000 sqm	30 years lease with option for another 50 years	A 302-room beachfront hotel
PT Kepland Investama	52%	International Financial Centre (formerly, Barclays House) Jakarta, Indonesia	Land area: 10,444 sqm	20 years lease with option for another 20 years	A prime office development with rentable area of 27,875 sqm (Tower 1)
Keppel Land Watco I Co Ltd	35%	Saigon Centre (Phase 1 Tower) Ho Chi Minh City, Vietnam	Land area: 2,730 sqm 25-storey office, retail cum serviced apartments	50 years lease	Commercial building with rentable area of 10,443 sqm office, 3,663 sqm retail, 305 sqm post office and 89 units of serviced apartments
BFC Development Pte Ltd	18%	Marina Bay Financial Centre (Phase 1)/ Marina Bay Residences Marina Boulevard/ Central Boulevard, Singapore	Land area: 20,505 sqm	99 years leasehold	An integrated development comprising office, retail and 428 condominium units
Properties under development					
Ocean Properties Pte Ltd	46%	Ocean Financial Centre Collyer Quay, Singapore	Land area: 2,557 sqm	999 years leasehold	Commercial building with rentable area of 78,587 sqm *(2011)
Central Boulevard Development Pte Ltd	17%	Marina Bay Financial Centre (Phase 2)/ Marina Bay Suites Marina Boulevard/ Central Boulevard, Singapore	Land area: 15,010 sqm	99 years leasehold	An integrated development comprising office, retail and 221 condominium units *(2012)
Keppel Bay Pte Ltd	86%	Reflections at Keppel Bay Singapore	Land area: 83,591 sqm	99 years leasehold	A 1,129-unit waterfront condominium development *(2013)
		Keppel Bay Plot 3 and 6, Singapore	Land area: 82,619 sqm	99 years leasehold	Waterfront condominium development

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Keppel Land (Mayfair) Pte Ltd	52%	The Lakefront Residences Lakeside Drive, Singapore	Land area: 16,117 sqm	99 years leasehold	A 629-unit condominium development *(2015)
Shanghai Pasir Panjang Land Co Ltd	51%	Eight Park Avenue Shanghai, China	Land area: 33,432 sqm	70 years lease	A 930-unit residential apartment development (Plot B) *(2014)
Shanghai Hongda Property Development Co Ltd	51%	The Springdale Shanghai, China	Land area: 264,090 sqm	70 years lease (residential) 40 years lease (commercial)	A 2,667-unit residential development with integrated facilities *(2015)
Spring City Golf & Lake Resort Co (owned by Kingsdale Development Pte Ltd)	21%	Spring City Golf & Lake Resort Kunming, China	Land area: 2,157,361 sqm	70 years lease	Integrated resort comprising golf courses, resort homes and resort facilities *(2011 Phase 2)
CityOne Development (Wuxi) Co	26%	Central Park City Wuxi, China	Land area: 352,534 sqm	70 years lease (residential) 40 years lease (commercial)	A 5,000-unit residential township development with integrated facilities *(2012 Phase 2)
Keppel Township Development (Shenyang) Co Ltd	52%	The Seasons Shenyang, China	Land area: 348,312 sqm	50 years lease (residential) 40 years lease (commercial)	A 4,748-unit residential township with integrated facilities in Shenbei New District in Shenyang *(2013 Phase 1)
Keppel Hongda (Tianjin Eco-City) Property Development Co	74%	Development in Sino-Singapore Tianjin Eco-City Tianjin, China	Land area: 365,722 sqm	70 years lease (residential) 40 years lease (commercial)	A mixed development, primarily residential (5,000 units) together with some commercial space *(2012 – 2014)
PT Mitra Sindo Sukses/ PT Mitra Sindo Makmur	27%	Jakarta Garden City Jakarta, Indonesia	Land area: 2,700,000 sqm	30 years lease with option for another 20 years	A 7,000-unit residential township *(2011 Phase 1 & 2013 Phase 2)
Estella JV Co Ltd	29%	The Estella Ho Chi Minh City, Vietnam	Land area: 47,906 sqm	50 years lease	A 1,393-unit high-rise residential development with supporting commercial space in An Phu Ward in prime District 2 *(2012 Phase 1)

Major Properties

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Dong Nai Waterfront City LLC (owned by Portsville Pte Ltd)	26%	Dong Nai Waterfront City Dong Nai Province, Vietnam	Land area: 3,667,127 sqm	50 years lease	A 7,850-unit residential township *(2015 Phase 1)
Industrial properties					
Keppel FELS Limited	100%	Jurong, Pioneer, Cresent and Tuas South Yard, Singapore	Land area: 737,525 sqm buildings, workshops, building berths and wharves	24 - 30 years leasehold	Oil rigs, offshore and marine construction, repair, fabrication, assembly and storage
Keppel Shipyard Limited	100%	Benoi and Pioneer Yard, Singapore	Land area: 776,827 sqm buildings, workshops, drydocks and wharves	30 years leasehold	Shiprepairing, shipbuilding and marine construction

* Expected year of completion

Group Five-Year Performance

	2006	2007	2008	2009	**2010**
Selected Profit & Loss Account Data ($ million)					
Revenue	7,601	10,431	11,805	12,247	**9,783**
Operating profit	804	1,051	1,238	1,505	**1,756**
Profit before tax & exceptional items	1,139	1,556	1,597	1,856	**2,026**
Net profit before exceptional items	751	1,026	1,097	1,265	**1,419**
Attributable profit after exceptional items	751	1,131	1,098	1,625	**1,623**
Selected Balance Sheet Data ($ million)					
Fixed assets & properties	4,187	4,732	4,977	5,208	**5,451**
Investments	3,113	4,024	3,633	3,332	**4,443**
Stocks, debtors & cash	6,466	6,973	8,059	8,677	**10,979**
Intangibles	135	68	78	90	**108**
Total assets	13,901	15,797	16,747	17,307	**20,981**
Less:					
Creditors	5,188	6,139	7,647	6,423	**6,730**
Borrowings	2,957	2,234	1,970	1,759	**4,068**
Other liabilities	158	389	381	412	**459**
Net assets	5,598	7,035	6,749	8,713	**9,724**
Share capital & reserves	4,205	5,205	4,596	5,985	**6,740**
Non-controlling interests	1,393	1,830	2,153	2,728	**2,984**
Capital employed	5,598	7,035	6,749	8,713	**9,724**
Per Share					
Earnings (cents) (Note 1):					
Before tax & exceptional items	61.5	81.4	84.2	98.9	**110.8**
After tax & before exceptional items	47.7	64.9	69.0	79.4	**88.7**
After tax & exceptional items	47.7	71.5	69.0	102.0	**101.5**
Total distribution (cents)	28.0	64.0	35.0	61.0	**42.0**
Net assets ($)	2.67	3.28	2.89	3.75	**4.20**
Net tangible assets ($)	2.58	3.24	2.84	3.70	**4.13**
Financial Ratios					
Return on shareholders' funds (%) (Note 2):					
Profit before tax and exceptional items	24.7	27.4	27.3	29.8	**27.9**
Net profit before exceptional items	19.1	21.8	22.4	23.9	**22.3**
Dividend cover (times)	4.2	1.0	2.0	1.3	**2.1**
Net cash / (gearing) (times)	(0.24)	(0.09)	0.04	0.14	**0.02**
Employees					
Number	29,185	31,914	35,621	31,775	**31,360**
Wages & salaries ($ million)	931	1,132	1,329	1,372	**1,367**

Notes:
1. Earnings per share are calculated based on the Group profit by reference to the weighted average number of shares in issue during the year.
2. In calculating return on shareholders' funds, average shareholders' funds has been used.
3. Comparative figures have been adjusted for sub-division of shares in 2007.

Group Five-Year Performance

2010

Group revenue of $9,783 million was 20% lower than last year. Revenue from Offshore & Marine Division of $5,577 million decreased by $2,696 million or 33% because of a lower volume of work. During the year, the Division completed and delivered twelve rigs, eighteen specialised vessels, five FPSO conversions/upgrades and several rig upgrade/repair contracts. Revenue from Infrastructure Division increased by $83 million or 3% to $2,510 million. Higher revenue generated from the cogen power plant in Singapore was partly offset by lower revenue from Engineering, Procurement and Construction (EPC) contracts in Qatar. Revenue from Property Division of $1,685 million was $177 million or 12% above the previous year. The increase was mainly attributable to the sale of apartments at Keppel Bay and progressive revenue recognition from Reflections at Keppel Bay. Rental income from investment properties improved because of the acquisitions of investment buildings in Australia in 2010 and additional six strata floors of Prudential Tower in November 2009.

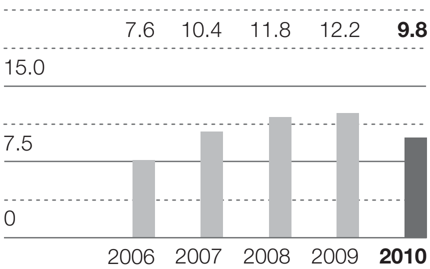
At the pre-tax level, Group profit of $2,026 million was 9% higher than FY 2009. Pre-tax earnings from Offshore & Marine Division increased by 15% to $1,242 million. This was due to improved margins driven by cost efficiencies and higher productivity on delivered contracts. Profit from Infrastructure Division decreased by 38% to $93 million as a result of losses from EPC contracts in Qatar, partly offset by better performance from the cogen power plant in Singapore. Property Division recorded profit of $625 million, an increase of 31% over the preceding year. This was mainly attributable to higher contribution from several residential projects in Singapore, China and Vietnam, and share of profit of the associated company developing Marina Bay Suites in Singapore. Profit from Investments Division was lower as the previous year included contribution from Singapore Petroleum Company which was disposed in June 2009.

2009

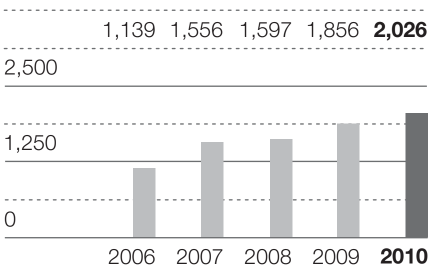
Group revenue rose by $442 million or 4% to $12,247 million, the highest achieved by the Group in a year. Higher revenue from Infrastructure and Property Divisions were more than sufficient to offset the fall in revenue from Offshore & Marine Division. Revenue from Offshore & Marine Division of $8,273 million decreased by $296 million or 3% because of lower value of new contracts secured. During the year, the Division completed and delivered fourteen rigs, fourteen specialised vessels and six major conversions/upgrades. Revenue from Infrastructure Division increased by 9% or $195 million. Higher revenue from Engineering, Procurement and Construction (EPC) contracts undertaken by Keppel Integrated Engineering was partially offset by lower revenue from Keppel Energy because of lower energy prices. Revenue from Property Division of $1,508 million was 59% above that of the previous year. This was mainly due to higher sale of residential homes in Singapore, China, Vietnam, Indonesia and India. Progressive revenue recognition from Reflections at Keppel Bay and other projects in Singapore and overseas were also higher. Rental income from investment properties also increased due to higher rental rates.

At the pre-tax profit level, Group earnings of $1,856 million were 16% higher than FY 2008. Earnings from Offshore & Marine Division of $1,081 million were 15% above the previous year. Higher operating margins achieved in the year contributed to the increased profit. Infrastructure Division continued its steady build-up and more than doubled its earnings from $70 million to $150 million. Profit from both Keppel Energy and Keppel Integrated Engineering were higher. Property Division posted profit of $476 million, 30% higher. Earnings have increased because of higher revenue recognition from the sale of residential properties and share of profit of associated companies developing Marina Bay Residences in Singapore and The Botanica in Chengdu, China. Profit from Investments was lower following the disposal of Singapore Petroleum Company in June 2009.

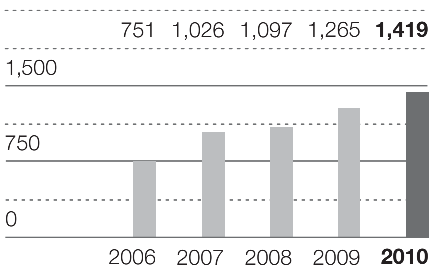
Revenue
($ billion)



Pre-Tax Profit
($ million)



Net Profit
($ million)



2008

Group revenue of $11,805 million was $1,374 million or 13% higher than that of the previous year. Revenue from Offshore & Marine Division of $8,569 million was $1,311 million or 18% higher and accounted for 72% of Group revenue. The Division completed and delivered three semisubmersibles and thirteen jackups on schedule for its customers. Revenue from shiprepairs, conversions and shipbuilding were also higher. Revenue from Infrastructure Division increased by 75% to $2,232 million. Revenue generated from the cogen power plant in Singapore and environmental engineering contracts contributed to the significant increase in revenue. Revenue from Property Division of $950 million was $885 million or 48% lower. The decrease was due to lower sales of residential properties in the current year. Rental income from investment properties increased due to higher rental rates and occupancy.

Group pre-tax profit of $1,597 million was 3% more than the previous year. Higher contribution from Offshore & Marine and Infrastructure were partially offset by lower profits from Property and Investments. Earnings from Offshore & Marine Division of $943 million were 35% above the previous year. Infrastructure Division continued to make encouraging progress, contributing $70 million to Group pre-tax profit. Property Division posted profit of $365 million, $106 million or 23% lower than the previous year. The decrease was due to the lower sales and share of profit from associated companies. Profit from Investments was lower because of lower profit from Singapore Petroleum Company.

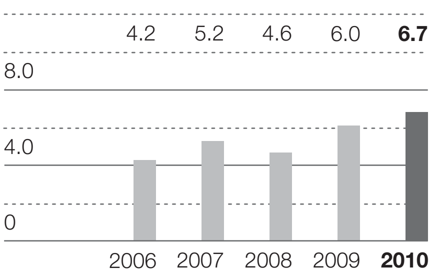
The income tax expense of the Group included a write-back of $15 million for tax provision in respect of prior years. After minority share of profit, the net profit before exceptional items was $1,097 million.

2007

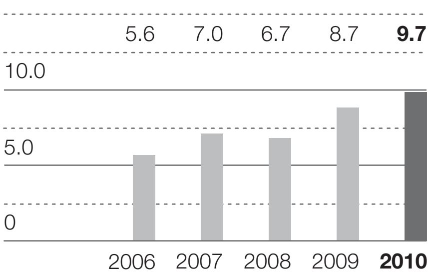
Group revenue of $10,431 million was $2,830 million or 37% higher than that of the previous year. Revenue from Offshore & Marine Division at $7,258 million was $1,503 million or 26% higher and accounted for 70% of Group revenue. Revenue from shipconversion and shiprepair was strong. Revenue from Infrastructure Division more than doubled to $1,277 million as a result of new income stream from the cogen power plant, NEWater plant, power barges and the contract for the solid waste management complex in Qatar. Property Division achieved revenue of $1,835 million, $680 million or 59% higher. The higher revenue was due to sales of Reflections at Keppel Bay, Sixth Avenue Residences and Park Infinia @ Wee Nam in Singapore, Villa Riviera in Shanghai and Elita Promenade in Bangalore. Rental income from investment properties was higher as a result of the tight supply of prime office buildings in the Singapore Central Business District.

Group profit before tax was $1,556 million or 37% more than the previous year's. Earnings from Offshore & Marine Division at $700 million were 12% above the previous year. Production activities continued to increase at the shipyards, however operating margins were lower because of lower margins from its Brazilian operations. Infrastructure Division returned firmly to profitability contributing $51 million or 3% of Group pre-tax profit. This was mainly derived from new projects and the initial

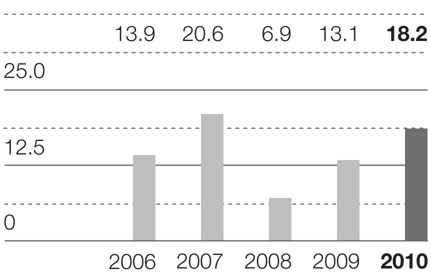
Shareholders' Funds
($ billion)



Capital Employed
($ billion)



Market Capitalisation
($ billion)



contribution from the contract in Qatar. The turnaround was achieved despite higher costs incurred in completing some old contracts and the higher gas cost to operate the cogen plant. Earnings from Property Division more than doubled to $471 million due to the higher revenue and operating margins from trading projects, and share of profit of Marina Bay Residences. In addition, cost provisions no longer required for Singapore trading projects were released in the year. The share of results of associated companies from Investments was significantly higher due mainly to increased contribution from Singapore Petroleum Company, which also reported record profits.

Group taxation expenses were higher in the year as a result of write-back of deferred tax amounting to $18 million from the reduction in the Singapore corporate tax rate from 20% to 18%. After taking into account the higher taxation charge and minority share of profit, the net profit before exceptional items was $1,026 million.

2006

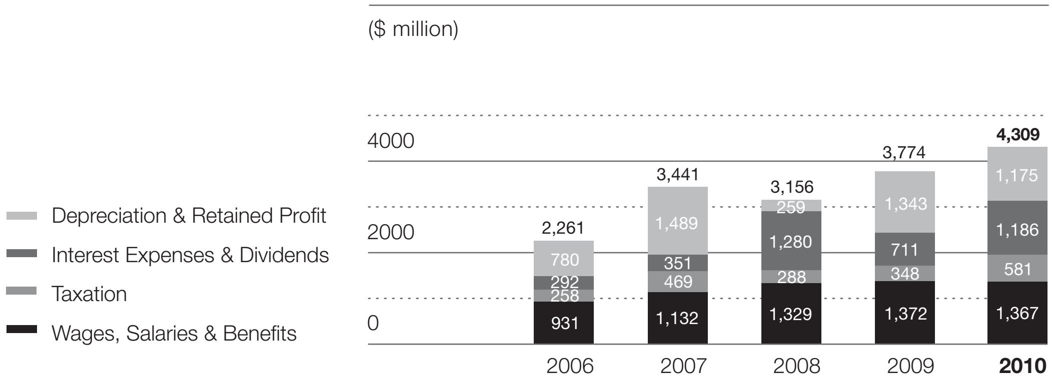
Group revenue of $7,601 million was $1,913 million or 34% higher than that of the previous year. Revenue from Offshore & Marine of $5,755 million was $1,643 million or 40% higher and accounted for 76% of Group revenue. Twenty six newbuilds and conversions were completed and delivered in the year, on time or ahead of time and within budget. Revenue from ship and rig repair was also strong. Keppel T&T reported lower revenue as no major new network engineering contract was secured. Revenue from electricity trading also declined as non-profitable fixed price contracts were not renewed. Property achieved revenue of $1,155 million, $308 million or 36% higher. The increased revenue was underpinned by higher sales and prices of the Group's new and existing trading projects both in Singapore and regionally. Rental income from investment properties was higher as a result of the tight supply of prime office buildings in the Singapore Central Business District.

Group profit before tax exceeded $1 billion for the first time to $1,139 million, 38% higher than the previous year. Offshore & Marine, which had an exceptionally busy year contributed significantly to the Group earnings growth. The division's profit before tax of $624 million was $273 million or 78% higher. Revenue and operating margins improved with higher prices and efficient project execution. Infrastructure returned to profitability in the fourth quarter with the commercial operation of the power barges in Ecuador. However, the quarter's profit was not sufficient to reverse the losses in the first nine months. Property posted earnings of $233 million, 5% above the previous year due to the higher revenue from trading projects and profit from sale of a piece of land in Tianjin and an equity interest in a property project. Earnings from Investments were higher with gains from the sale of investments and much better contributions from k1 Ventures which benefited from the divestment of The Gas Company, LLC. These were more than sufficient to offset the lower contributions from Singapore Petroleum Company, which was affected by lower margins in the second half year.

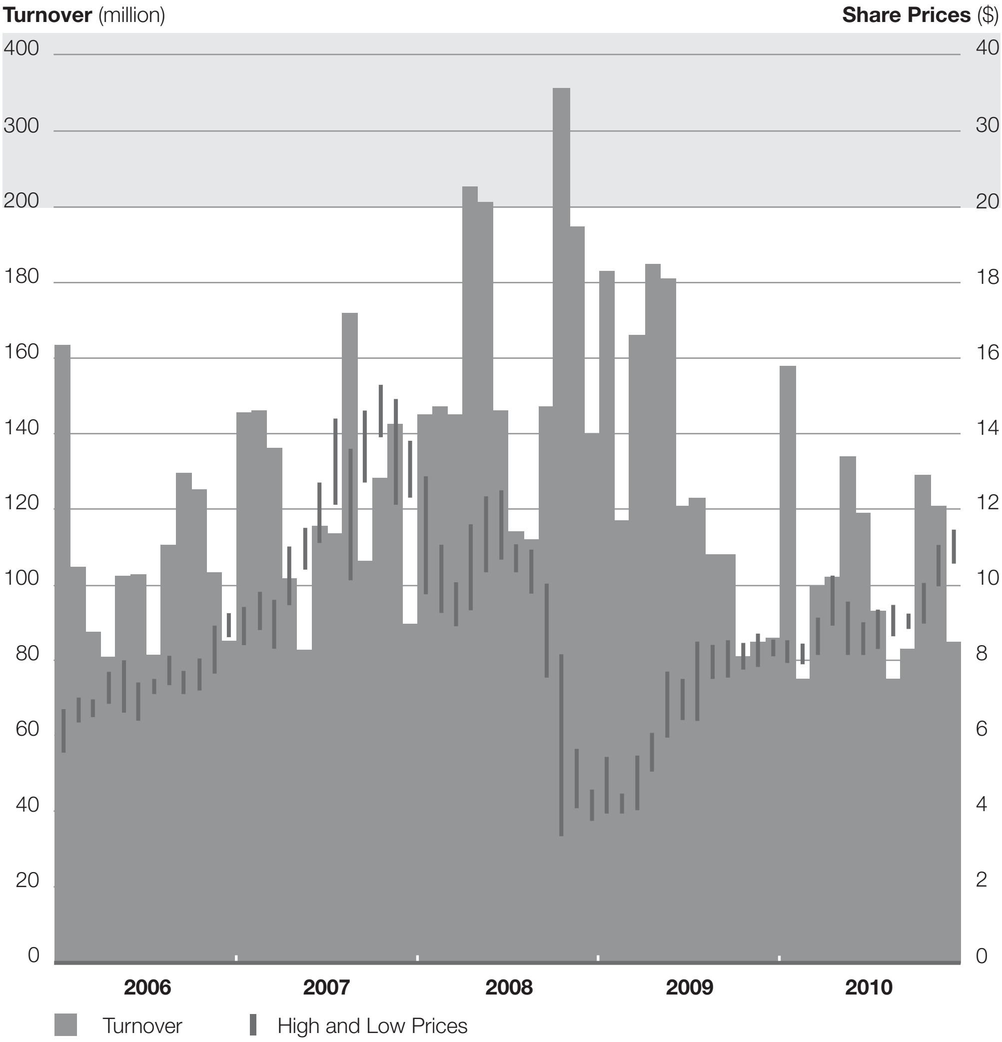
Group taxation expenses were higher in the year as a result of higher profits from overseas operations. After taking into accounts the higher taxation charge and minority share of profit, the attributable profit to shareholders was $751 million.

Group Value-Added Statements

($ million)	2006	2007	2008	2009	**2010**
Value added from:					
Revenue earned	7,601	10,431	11,805	12,247	**9,783**
Less: purchases of materials and services	(5,738)	(8,123)	(9,099)	(9,196)	**(6,470)**
Gross value added from operation	1,863	2,308	2,706	3,051	**3,313**
In addition:					
Interest and investment income	83	91	83	79	**120**
Share of associated companies' profits	315	477	354	322	**215**
Exceptional items	-	565	13	322	**661**
	2,261	3,441	3,156	3,774	**4,309**
Distribution of Group's value added:					
To employees in wages, salaries and benefits	931	1,132	1,329	1,372	**1,367**
To government in taxation	258	469	288	348	**581**
To providers of capital on:					
Interest on borrowings	62	63	79	50	**65**
Dividends to our partners in subsidiaries	73	46	103	87	**130**
Dividends to our shareholders	157	242	1,098	574	**991**
	292	351	1,280	711	**1,186**
Total Distribution	1,481	1,952	2,897	2,431	**3,134**
Balance retained in the business:					
Depreciation & amortisation	127	126	139	174	**189**
Minority share of profits in subsidiaries	60	474	120	118	**354**
Retained profit for the year	593	889	-	1,051	**632**
	780	1,489	259	1,343	**1,175**
	2,261	3,441	3,156	3,774	**4,309**
Number of employees	29,185	31,914	35,621	31,775	**31,360**
Productivity data:					
Gross value added per employee ($'000)	64	72	76	96	**106**
Gross value added per dollar employment cost ($)	2.00	2.04	2.04	2.22	**2.42**
Gross value added per dollar sales ($)	0.25	0.22	0.23	0.25	**0.34**



Share Performance



	2006	2007	2008	2009	**2010**
Share Price ($)*					
Last transacted (Note 3)	8.80	13.00	4.33	8.23	**11.32**
High	9.25	15.30	12.84	8.70	**11.46**
Low	5.55	8.30	3.35	3.97	**7.87**
Volume weighted average (Note 2)	7.22	11.56	8.59	6.40	**9.10**
Per Share					
Earnings (cents) (Note 1)	47.7	64.9	69.0	79.4	**88.7**
Total distribution (cents)	28.0	64.0	35.0	61.0	**42.0**
Distribution yield (%) (Note 2)	3.9	5.5	4.1	9.5	**4.6**
Net price earnings ratio (Note 2)	15.1	17.8	12.5	8.1	**10.3**
At Year End					
Share price ($)	8.80	13.00	4.33	8.23	**11.32**
Distribution yield (%) (Note 3)	3.2	4.9	8.1	7.4	**3.7**
Net price earnings ratio (Note 3)	18.4	20.0	6.3	10.4	**12.8**
Net price to book ratio (Note 3)	3.4	4.0	1.5	2.2	**2.7**
Net assets backing ($)	2.58	3.24	2.84	3.70	**4.13**

Notes:
1. Earnings per share are calculated based on the Group net profit by reference to the weighted average number of shares in issue during the year.
2. Volume weighted average share price is used in calculating distribution yield and net price earnings ratio.
3. Last transacted share price is used in calculating distribution yield, net price earnings ratio and net price to book ratio.
4. Comparative figures have been adjusted for sub-division of shares in 2007.

* Historical share prices are not adjusted for special dividends, capital distribution and dividend in specie.

Shareholding Statistics

As at 24 February 2011

Total number of issued shares : 1,611,918,880
Issued and fully paid-up capital : $947,154,405.19
Class of Shares : Ordinary Shares with equal voting rights

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 999	485	1.54	216,865	0.01
1,000 - 10,000	27,793	87.93	84,526,454	5.25
10,001 - 1,000,000	3,296	10.43	117,537,583	7.29
1,000,001 & Above	33	0.10	1,409,637,978	87.45
Total	31,607	100.00	1,611,918,880	100.00

Twenty Largest Shareholders	Number of Shares	%
Temasek Holdings (Pte) Ltd	337,643,902	20.95
Citibank Nominees Singapore Pte Ltd	330,013,775	20.47
DBS Nominees Pte Ltd	229,838,382	14.26
DBSN Services Pte Ltd	170,744,338	10.59
HSBC (Singapore) Nominees Pte Ltd	146,639,575	9.10
Raffles Nominees (Pte) Ltd	56,701,115	3.52
United Overseas Bank Nominees Pte Ltd	46,515,334	2.89
BNP Paribas Securities Services S'pore Pte Ltd	14,358,803	0.89
DB Nominees (S) Pte Ltd	10,718,732	0.66
Merrill Lynch (Singapore) Pte Ltd	6,406,732	0.40
Shanwood Development Pte Ltd	6,400,000	0.40
Lim Chee Onn	5,121,166	0.32
Morgan Stanley Asia (Singapore) Pte Ltd	5,019,202	0.31
Teo Soon Hoe	4,088,332[i]	0.25
OCBC Nominees Singapore Pte Ltd	3,974,251	0.25
Royal Bank of Canada (Asia) Ltd	3,688,276	0.23
BNP Paribas Nominees Singapore Pte Ltd	3,374,570	0.21
OCBC Securities Private Ltd	3,256,202	0.20
Phillip Securities Pte Ltd	3,157,853	0.19
UOB Kay Hian Pte Ltd	2,783,984	0.17
Total	1,390,444,524	86.26

Note:
i) Includes 40,000 shares held by OCBC Nominees Singapore Pte Ltd on his behalf.

Substantial Shareholder

	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%	Total Interest No. of Shares	%
Temasek Holdings (Pte) Ltd	337,643,902	20.95	9,011,931[i]	0.56	346,655,833	21.51

Note(i):
By operation of Section 7 of the Companies Act, Temasek Holdings (Pte) Ltd is deemed to be interested in an aggregate of 9,011,931 shares in which its subsidiaries and associated companies have an aggregate interest.

Public Shareholders

Based on the information available to the Company as at 24 February 2011, approximately 77% of the issued shares of the Company is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the ordinary shares of the Company is at all times held by the public.

Treasury Shares

As at 24 February 2011, there are no treasury shares held.

Keppel Corporation Limited
Co Reg No. 196800351N
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting of the Company will be held at Raffles City Convention Centre, Collyer Room (Level 4), 2 Stamford Road, Singapore 178882 on Thursday, 21 April 2011 at 4.00 p.m. to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2010. **Resolution 1**

2. To declare a final tax-exempt (one-tier) dividend of 26 cents per share for the year ended 31 December 2010 (2009: final dividend of 23 cents per share tax-exempt (one-tier)). **Resolution 2**

3. To re-elect the following directors, each of whom will retire pursuant to Article 81B of the Company's Articles of Association and who, being eligible, offer themselves for re-election pursuant to Article 81C (see Note 2):

   (i) Mr Tony Chew Leong-Chee **Resolution 3**

   (ii) Mr Tow Heng Tan **Resolution 4**

   (iii) Mr Teo Soon Hoe **Resolution 5**

4. To re-elect the following directors, each of whom, being appointed by the board of directors after the last annual general meeting, will retire in accordance with Article 81A(1) of the Company's Articles of Association and who, being eligible, offer themselves for re-election (see Note 2):

   (i) Mr Tan Ek Kia **Resolution 6**

   (ii) Mr Danny Teoh **Resolution 7**

5. To re-elect Mr Sven Bang Ullring who, being over the age of 70 years, will cease to be a director at the conclusion of this annual general meeting, and who, being eligible, offers himself for re-election pursuant to Section 153(6) of the Companies Act (Cap. 50) (the "Companies Act") to hold office until the conclusion of the next annual general meeting of the Company (see Note 2). **Resolution 8**

6. To approve the ordinary remuneration of the non-executive directors of the Company for the financial year ended 31 December 2010, comprising the following: **Resolution 9**

(1) the payment of directors' fees of an aggregate amount of $944,170 in cash (2009: $1,144,095); and

(2) (a) the award of an aggregate number of 29,500 existing ordinary shares in the capital of the Company (the "Remuneration Shares") to Dr Lee Boon Yang, Mr Lim Hock San, Mr Sven Bang Ullring, Mr Tony Chew Leong-Chee, Mrs Oon Kum Loon, Mr Tow Heng Tan, Mr Alvin Yeo Khirn Hai, Mr Tan Ek Kia and Mr Danny Teoh as payment in part of their respective remuneration for the financial year ended 31 December 2010 as follows:

(i) 10,000 Remuneration Shares to Dr Lee Boon Yang;

(ii) 3,000 Remuneration Shares to Mr Lim Hock San;

(iii) 3,000 Remuneration Shares to Mr Sven Bang Ullring;

(iv) 3,000 Remuneration Shares to Mr Tony Chew Leong-Chee;

(v) 3,000 Remuneration Shares to Mrs Oon Kum Loon;

(vi) 3,000 Remuneration Shares to Mr Tow Heng Tan;

(vii) 3,000 Remuneration Shares to Mr Alvin Yeo Khirn Hai;

(viii) 750 Remuneration Shares to Mr Tan Ek Kia [1]; and

(ix) 750 Remuneration Shares to Mr Danny Teoh [2];

(b) the directors of the Company and/or any of them be and are hereby authorised to instruct a third party agency to purchase from the market 29,500 existing shares at such price as the directors of the Company may deem fit and deliver the Remuneration Shares to each non-executive director in the manner as set out in (2)(a) above; and

(c) any director of the Company or the Company Secretary be authorised to do all things necessary or desirable to give effect to the above (see Note 3).

7. To re-appoint the Auditors and authorise the directors of the Company to fix their remuneration. **Resolution 10**

Special Business
To consider and, if thought fit, approve the following Ordinary Resolutions, with or without any modifications:

8. That pursuant to Section 161 of the Companies Act, and Article 48A of the Company's Articles of Association, authority be and is hereby given to the directors of the Company to: **Resolution 11**

(1) (a) issue shares in the capital of the Company ("Shares"), whether by way of rights, bonus or otherwise, and including any capitalisation pursuant to Article 124 of the Company's Articles of Association of any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or

1 Mr Tan Ek Kia was appointed as non-executive director with effect from 1 October 2010.
2 Mr Danny Teoh was appointed as non-executive director with effect from 1 October 2010.

(b) make or grant offers, agreements or options that might or would require Shares to be issued (including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares) (collectively "Instruments"),

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

(2) (notwithstanding that the authority so conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the directors of the Company while the authority was in force;

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed fifty (50) per cent. of the total number of issued Shares (excluding treasury Shares) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed five (5) per cent. of the total number of issued Shares (excluding treasury Shares) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury Shares) at the time this Resolution is passed, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which are outstanding or subsisting as at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or sub-division of Shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is the earlier (see Note 4).

9. That: **Resolution 12**

(1) for the purposes of the Companies Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(a) market purchase(s) (each a "Market Purchase") on the SGX-ST; and/or

(b) off-market purchase(s) (each an "Off-Market Purchase") in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(2) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(a) the date on which the next annual general meeting of the Company is held or is required by law to be held; or

(b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(3) in this Resolution:

"Maximum Limit" means that number of issued Shares representing five (5) per cent. of the total number of issued Shares as at the date of the last annual general meeting or at the date of the passing of this Resolution whichever is higher unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury Shares that may be held by the Company from time to time);

"Relevant Period" means the period commencing from the date on which the last annual general meeting was held and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which is:

(a) in the case of a Market Purchase, 105 per cent. of the Average Closing Price (as hereafter defined); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent. of the Average Closing Price,

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days (a "Market Day" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, in the case of Market Purchases, before the day on which the purchase or acquisition of Shares was made and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days, or in the case of Off-Market Purchases, before the date on which the Company makes an announcement of the offer; and

(4) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution (see Note 5).

10. That: **Resolution 13**

(1) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and target associated companies (as defined in Appendix 2 to this Notice of Annual General Meeting ("Appendix 2")), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in Appendix 2, with any person who falls within the classes of Interested Persons described in Appendix 2, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions as set out in Appendix 2 (the "IPT Mandate");

(2) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next annual general meeting is held or is required by law to be held, whichever is the earlier;

(3) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; and

(4) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution (see Note 6).

To transact such other business which can be transacted at the annual general meeting of the Company.

NOTICE IS ALSO HEREBY GIVEN THAT:

(a) the Share Transfer Books and the Register of Members of the Company will be closed on 29 April 2011, for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 28 April 2011 will be registered to determine shareholders' entitlement to the proposed final dividend. The proposed final dividend if approved at this annual general meeting will be paid on 10 May 2011;

(b) the Share Transfer Books and the Register of Members will be closed at 5.00 p.m. on 28 April 2011 to determine Shareholders' entitlements to Bonus Shares under the Bonus Issue. Duly completed transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 28 April 2011 will be registered to determine Shareholders' entitlements to Bonus Shares under the Bonus Issue. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 28 April 2011 will be entitled to Bonus Shares under the Bonus Issue.

Bonus Shares, when issued, will not be entitled to the final cash dividend in respect of the financial year ended 31 December 2010 (which shall be subject to the approval of Shareholders at this annual general meeting).

Please refer to the Company's announcements dated 25 January 2011, 26 January 2011 and 28 January 2011 for details; and

(c) the electronic copy of the Company's Annual Report 2010 will be published on the Company's website on 6 April 2011. The Company's website address is http://www.kepcorp.com, and the electronic copy of the Annual Report 2010 can be viewed or downloaded from the "Financial Reports" section, which can be accessed from the main menu item "Investor Centre". To view the electronic copy of the Annual Report 2010, you will need the Adobe Reader installed on your computer, which can be downloaded free of charge at http://get.adobe.com/reader.

BY ORDER OF THE BOARD

Caroline Chang
Company Secretary

Singapore, 23 March 2011

Notice of Annual General Meeting and Closure of Books

Notes:

1. A member is entitled to appoint one proxy or two proxies to attend and vote in his place. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, not less than 48 hours before the time appointed for holding the annual general meeting.

2. Detailed information about these directors can be found in the "Board of Directors" and "Directors and Key Executives" sections of the Company's Annual Report. Mr Tony Chew Leong-Chee will upon re-election continue to serve as Chairman of the Nominating Committee and member of the Audit Committee. Mr Tow Heng Tan will upon re-election continue to serve as member of the Remuneration, Nominating and Board Risk Committees. Mr Tan Ek Kia will upon re-election continue to serve as member of the Nominating and Board Safety Committees. Mr Danny Teoh will upon re-election continue to serve as member of the Audit and Remuneration Committees. Mr Sven Bang Ullring will upon re-election continue to serve as Chairman of the Board Safety Committee and member of Remuneration and Nominating Committees. Except for Mr Tow Heng Tan who is considered a non-independent non-executive director, these directors are considered by the Nominating Committee to be independent directors.

3 The proposed award of Remuneration Shares to the non-executive directors forms part of the ordinary remuneration of the non-executive directors for the financial year ended 31 December 2010, and is in addition to the proposed directors' fees in cash mentioned in this Resolution 9. The Remuneration Shares to be awarded to the non-executive directors will rank *pari passu* with the then existing issued Shares at the time of the award. Subject to Shareholders' approval, Dr Lee Boon Yang will be awarded 10,000 Shares as part of his ordinary remuneration as non-executive Chairman for the financial year ended 31 December 2010. The non-executive directors who have served for the full financial year will each be awarded 3,000 Shares as part of their remuneration. Mr Tan Ek Kia and Mr Danny Teoh will each, subject to Shareholders' approval, be awarded 750 Shares as part of their respective remuneration for serving as non-executive director from 1 October 2010 to 31 December 2010. The Chairman and the non-executive directors will abstain from voting, and will procure their respective associates to abstain from voting, in respect of this Resolution 9.

4. Resolution 11 is to empower the directors from the date of the annual general meeting until the date of the next annual general meeting to issue further Shares and Instruments in the Company, up to a number not exceeding 50 per cent. of the total number of Shares (excluding treasury Shares) (with a sub-limit of 5 per cent. of the total number of Shares (excluding treasury Shares) in respect of Shares to be issued other than on a *pro rata* basis to shareholders). The 5 per cent. sub-limit for non-*pro rata* issues is lower than the 20 per cent. sub-limit allowed under the Listing Manual of the SGX-ST and the Articles of Association of the Company. Of the 5 per cent. sub-limit, in relation to the Company's Restricted Share Plan and Performance Share Plan (collectively, the "Share Plans"), the Company shall not award shares ("Awards") under the Share Plans exceeding in aggregate 2 per cent. of the total number of issued shares in the capital of the Company ("Yearly Limit"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of Awards in subsequent years. For the purpose of determining the total number of Shares (excluding treasury Shares) that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares) at the time that Resolution 11 is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 11 is passed, and any subsequent bonus issue, consolidation or sub-division of Shares.

5. Resolution 12 relates to the renewal of the Share Purchase Mandate which was originally approved by Shareholders on 18 February 2000 and was last renewed at the annual general meeting of the Company on 23 April 2010. However, at this annual general meeting, the Company is seeking a lower "Maximum Limit" of 5 per cent. of the total number of issued Shares, which is lower than the 10 per cent. Maximum Limit allowed under the Companies Act. Please refer to Appendix 1 to this Notice of Annual General Meeting for further details.

6. Resolution 13 relates to the renewal of a mandate given by Shareholders on 22 May 2003 allowing the Company, its subsidiaries and target associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the SGX-ST. Please refer to Appendix 2 to this Notice of Annual General Meeting for details.

Corporate Information

Board of Directors

Lee Boon Yang (Chairman)
Lim Hock San (Deputy Chairman)
Choo Chiau Beng (Chief Executive Officer)
Sven Bang Ullring
Tony Chew Leong-Chee
Oon Kum Loon (Mrs)
Tow Heng Tan
Alvin Yeo Khirn Hai
Tan Ek Kia
Danny Teoh
Teo Soon Hoe
Tong Chong Heong

Audit Committee

Lim Hock San (Chairman)
Tony Chew Leong-Chee
Oon Kum Loon (Mrs)
Alvin Yeo Khirn Hai
Danny Teoh

Remuneration Committee

Lim Hock San (Chairman)
Lee Boon Yang
Sven Bang Ullring
Oon Kum Loon (Mrs)
Tow Heng Tan
Danny Teoh

Nominating Committee

Tony Chew Leong-Chee (Chairman)
Lee Boon Yang
Sven Bang Ullring
Tow Heng Tan
Tan Ek Kia

Board Risk Committee

Oon Kum Loon (Mrs) (Chairman)
Lim Hock San
Tow Heng Tan
Alvin Yeo Khirn Hai

Board Safety Committee

Sven Bang Ullring (Chairman)
Lee Boon Yang
Choo Chiau Beng
Tan Ek Kia

Company Secretary

Caroline Chang

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Email: keppelgroup@kepcorp.com
Website: www.kepcorp.com

Share Registrar

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

Auditors

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants
Singapore
Audit Partner: Chaly Mah Chee Kheong
Year appointed: 2006

Financial Calendar

FY 2010

Financial year-end	31 December 2010
Announcement of 2010 1Q results	22 April 2010
Announcement of 2010 2Q results	22 July 2010
Announcement of 2010 3Q results	21 October 2010
Announcement of 2010 full year results	25 January 2011
Despatch of Summary Financial Report to Shareholders	23 March 2011
Despatch of Annual Report to Shareholders	6 April 2011
Annual General Meeting	21 April 2011
2010 Proposed final dividend	
Books closure date	5.00 p.m., 28 April 2011
Payment date	10 May 2011
Proposed Bonus Issue	
Books closure date	5.00 p.m., 28 April 2011

FY 2011

Financial year-end	31 December 2011
Announcement of 2011 1Q results	April 2011
Announcement of 2011 2Q results	July 2011
Announcement of 2011 3Q results	October 2011
Announcement of 2011 full year results	January 2012

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Edited and Compiled by
Group Corporate Communications, Keppel Corporation

Designed by
greymatter williams and phoa (asia)

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